Entrepreneurs are made, not born. They can be developed to their full potential when provided training, a support network, and access to resources. They also need to have a sounding board for their ideas and dreams and a trustworthy “reality check” in their business planning process to help them avoid wasting time and resources.

New and beginning farmers, like other entrepreneurs, can greatly benefit from working with an agricultural “entrepreneur coach,” someone who can listen, advise and encourage budding agricultural entrepreneurs.

The Beginning Farmer Success (extension.umd.edu/newfarmer) program can provide new and beginning farmers with an Entrepreneurial Coach. This trained agricultural professional can provide one-on-one consulting and access to a wide variety of re-
Market Research—Look Before You Leap

By: Ginger S. Myers, UME

The purpose of conducting market analysis and research for a business is two fold. First is figuring out how big the market is:

◊ Is there a large enough market available to justify your time and resources in the effort?

◊ Secondly, good market analysis and research can help you describe your potential or ideal customer. Identifying your customer base is one of the first elements of the marketing process.

The process of identifying your potential customer Decision Marketing Units (DMUs), determining your market segments, and then developing a targeted strategy is called market research. This research involves gathering additional information about customers, competition, and overall market potential. Conducting market research is part science, part research and part intuition. Before you invest any money in your project, you need to determine:

1. The projected volume of sales of your goods or services and the price you might realistically expect to charge for them. You will need this information to analyze profitability and cash flow potential.

2. Who are your potential customers? What are their ages, income levels, and when and where do they shop? Why would they buy your product rather than your competitors’ product?

3. How many competitors are there for this market? What are their strengths and weaknesses?

4. What is the total market size for products like yours and what share of that market might you expect to capture?

5. What are the trends for consumption, competition and pricing in your market?

Answers to these questions will help you better understand what your potential customers, your “target” audience want. This information about them is called demographic information.

Having answers to these questions will help you determine your market niche and facilitate writing your business plan.

Remember that the purpose of your business is to sell products at a profit, not to make products and hope they might sell.

Business Coaches for Ag Entrepreneurs  continued from page 1

sources. A copy of the 17 trained Agricultural Entrepreneurial Coaches directory and videos related to agricultural entrepreneurship are located under the, “Cultivating Entrepreneurship” (extension.umd.edu/mredc/business-modules/cultivating-entrepreneurship) section of the Maryland Rural Enterprise Development website at: “extension.umd.edu/mredc or for more information contact Ginger Myers at gsmyers.umd.edu.
How Do Customers Find You?

By: Ginger S. Myers, UME

Word-of-mouth (WOM) advertising is important for every business. It’s one of the most credible forms of advertising because a person puts their reputation on the line every time they make a recommendation since that person has nothing to gain but the appreciation of those who are listening.

Prior to the advent of smart phones and social media, word-of-mouth advertising happened directly between customers; for example, if a client liked your product they might recommend it to seven other friends. Social media provides a digital WOM advertising platform. If a client likes your product and endorses it in their social media outreach, there is the potential for that post to reach hundreds or even thousands of that client’s “friends” or “followers”. Other digital marketing tools such as email, electronic newsletters, and Internet searches all contribute to customers finding your products.

But, according to a recent survey for Verizon, direct customer word-of-mouth is still the number one avenue for attracting new customers.

WAYS TO BOOST YOUR WOM ADVERTISING:

1. Use Social Media: Facebook, Twitter, and YouTube Videos.
2. Ask for testimonials and use them.
3. Deliver what you promise every time; quality matters.
4. Work on product branding; customers are more likely to promote you to others if they always associate your product name or product line for certain purchases.
5. Make great customer service a priority and customers will more readily give you referrals.
6. Get customer feedback to be sure they’re satisfied.
7. Getting feedback will uncover any problems, so that you can prevent bad word of mouth.
8. Provide referral cards. Have a preprinted card your customer can leave with a friend. It helps even to leave behind several business cards so they can hand one to a neighbor who may need your landscaping services.
9. Thank people for their business. Once the transaction is complete, be sure to show some gratitude for the customer’s business and remember to invite them back.

Source: Small Business Trends—smallbiztrends.com
The National Good Food Network Food Hub Collaboration has released a Food Hub Benchmarking Study: Report on Findings, 2013. The report is the result of a study undertaken to help not only farmers and food hub operators, but also lenders, investors, and grant makers to understand how this market sector works. The study considered scope of operations, products, organization and operations, sources of revenue, labor expenses, customers, and other factors. The 13-page publication is available online at: web.extension.illinois.edu/smallfarm/downloads/53730.pdf

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**Source:** MNB (McCook National Bank (mnb1.com))