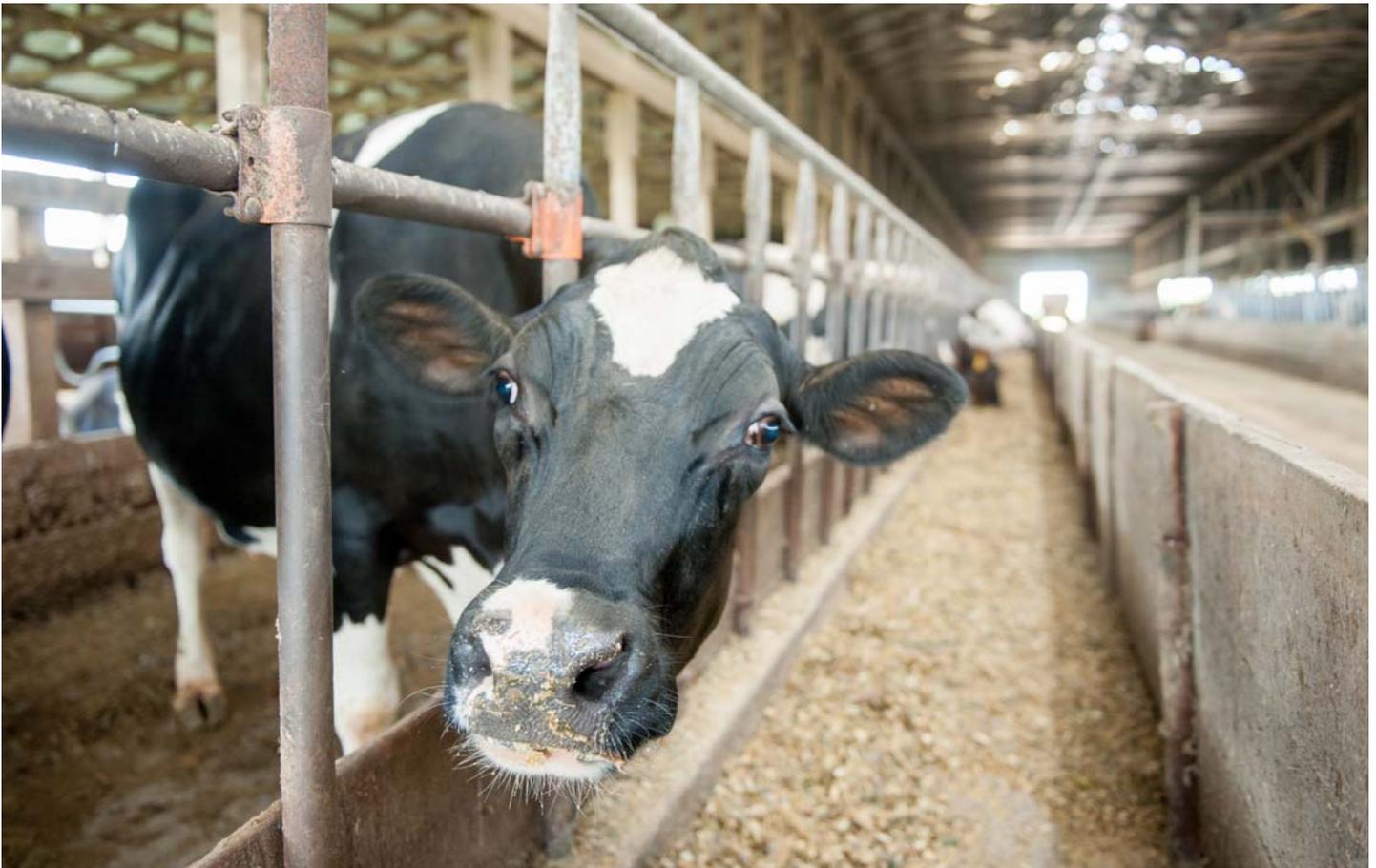


What Is Marketing

I never met anyone who got into farming because they enjoyed trying to predict consumer buying preferences or because they got great personal satisfaction from tracking the grain futures market. Most business entrepreneurs aren't thrilled about spending time researching their competitors' advantages. Farmers want to farm. Entrepreneurs want to develop businesses around new products or services. Neither prefers to spend a substantial portion of their time or financial resources developing their marketing program, much less implementing it themselves. Not that they're not capable of doing so - they often don't find the work enjoyable and they're just not sure how to go about it. Yet, until a farm or enterprise makes its first profitable sale, it's a business in name only.



Dairy Farm

Photo by: Edwin Remsberg

Marketing takes time. But, it can be one of the most cost-effective uses of time in your business. As marketing consultant Roy Young states in his article by the same name, “Marketing is the root of all income.”

Marketing can be defined simply as a transaction for profit - a sale. While you must make sales for your business to generate profits, making a sale is only part of marketing. A sale is a one-time event. This is transactional marketing. The transactional marketing approach seeks to make the largest number of sales possible. Transactional marketers increase profits by increasing sales and lowering costs. While this works as a marketing strategy, it leaves very little room for expanding profits when markets are saturated or costs can't be lowered any further. An example of this is when dairymen can't lower their cost of production any further but the market is flooded with excess milk production. Prices paid to dairy farmers drop dramatically.

A second marketing approach is relationship marketing. This marketing approach seeks to cultivate loyal, repeat customers. Jay Conrad Levinson, author of “Guerrilla Marketing” and proclaimed business marketing expert states, “Marketing is **EVERYTHING** you do to promote your business, from the moment you conceive it to the point at which customers buy your product or service and begin to patronize your business on a regular basis. The key words to remember here are everything and regular basis.”

This is relationship marketing at its best. This approach seeks to grow a business exponentially by cultivating customer loyalty and by word of mouth advertising to help recruit new customers. Relationship marketing can provide a lower cost and a more sustainable approach to marketing for many small to mid-size businesses. One example of relationship marketing is the success that subscription services for fresh produce have in the United States. Since the mid-1980s, many communities in the U.S. have banded together with local farms in food purchasing cooperatives. This practice, known as Community Supported Agriculture (CSA), matches consumers interested in purchasing safe, locally grown foods with small local farmers seeking stable markets for their crops.

Relationship marketing is appealing because you have more control over your sales initiative - a way to frame sales as part of a bigger picture. It implies that **EVERYTHING** you do and say from the time you finalize your idea to the time you have repeat customers IS marketing.

These would include:

- Name & Image of your business
- Location
- What you are selling
- Packaging...Colors, size shapes of your products
- Advertising and Public Relations
- Marketing Strategies
- Sales Presentations
- How you handle telephone calls
- How you present yourself
- Problem solving
- Growth plan and the follow-up



*Jim Mitchell
Owner, Woodside Farm Creamery
Photo by: Edwin Remsberg*