
Mastering Marketing for New and Beginning Farmers

Ginger Myers, Marketing Specialist, University of Maryland Extension
Director, Maryland Rural Enterprise Development Center

Isn't Marketing Just About Making Sales?

Sales are one-time transactions. Marketing is the process by which you identify a group of people who are willing and able to become and to remain your customers. As a new farmer, you won't have established relationships with customers and potential buyers, yet. You must determine who wants and/or needs your products. These are your potential customers. Identifying your target customer base is one of the first elements of the marketing process.

You should determine which people have the strongest likelihood of becoming and remaining your customer. The common characteristics within this target group will help you determine which people have the strongest likelihood of becoming and remaining your customer. These characteristics will also help you better define your product, identify your best marketing outlets, and determine what marketing tools you use to reach that audience.

Having a marketing plan requires you to think through the process of how a product will be priced and promoted. This planning helps minimize possible emotional reactions and guesswork in making marketing decisions.

Begin with the End in Mind

This statement asks you to think about 5, 10 or 20 years from now and what your business might have accomplished. The following is a list of questions to consider as you are developing your business and marketing plan.

- What do you want to accomplish with your business and how will your marketing efforts support those goals?
- What are your personal goals?
- How will your marketing efforts help you reach the missions and goals in your farm business plan? Will they reflect your production philosophy, a community connection, a life-style pursuit, a career change, or other personal missions?
- What are your financial goals?
- How much profit do you need to generate to be satisfied with your business?
- What is your timetable to reach these goals?
- Are you working towards a part-time operation? Looking for a full-time farm in a certain number of years? Are you planning ahead for a career change or retirement business?

Market Research

Market research is the process of identifying your potential market segments, then developing a targeted strategy for those segments. This research involves gathering information about customers, competition, and overall market potential.

Researching your potential market doesn't need to be expensive in terms of dollars, but be prepared to allot copious amounts of your "planning" time to it.

Before you invest any money in your business, you need to determine:

1. The projected volume of sales of your products 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' products?
3. How many competitors are there for this market? What are their strengths and weaknesses?
4. What are the trends for consumption, competition and pricing in your market?
5. Other factors that will affect your product production and distribution (government policies and regulations, technological changes, social and cultural behavior, industry trends)

Answers to these questions will help you better understand what your potential customers, your "target" audience, wants.

Assess Your Marketing Position

Conduct a SWOT Analysis of your marketing position. S.W.O.T. is an acronym that stands for Strengths, Weaknesses, Opportunities, and Threats. A SWOT analysis is an organized list of your business's greatest strengths, weaknesses, opportunities, and threats.

Strengths and weaknesses are internal to the company (think: reputation, growing practices, location). You can change them over time but not without some work. Opportunities and threats are external (think: regulations, competitors, prices)—they are out there in the market, happening whether you like it or not. You can't change them.

SWOT Analysis is useful for your overall enterprise evaluation but it can also be used to help you carve a sustainable niche in a market.

Marketing Mix

Your business will need to earn and maximize its profits if it's to be sustainable. For doing so, concentrate your marketing plan on the 4 P's, i.e. Product, Place, Promotion and Price, known as the marketing mix.

The marketing mix is about putting the right product or a combination thereof in the right place, at the right time, and at the right price to satisfy a customer’s wants or needs. Adhering to the traditional 4P’s of marketing will provide you with a solid foundation as you start and grow your business.

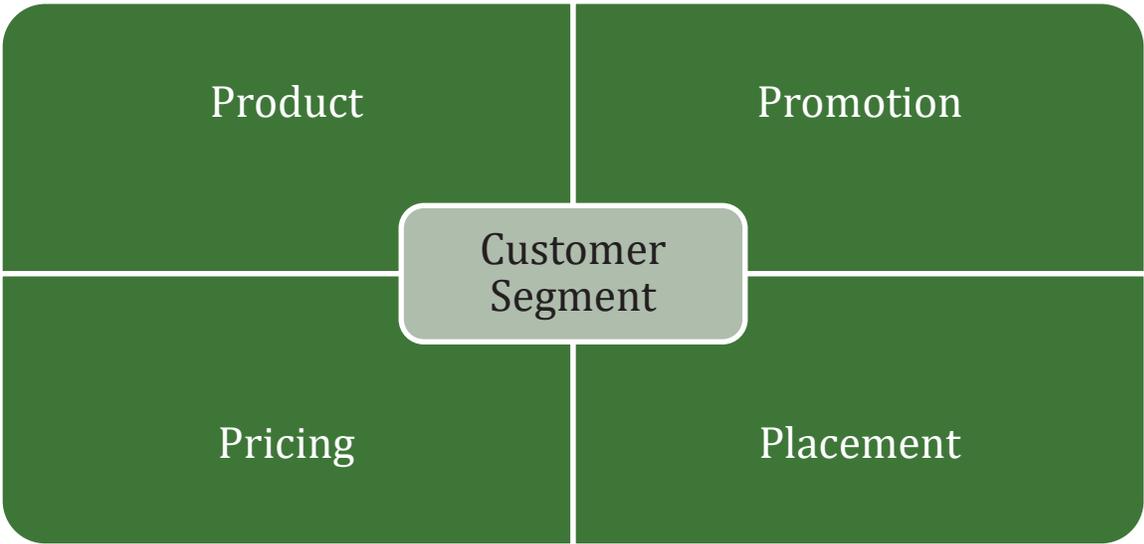
The Product: Exactly what product or service are you going to sell to this market? Define it in terms of what it does for your customer. How does it help your customer to achieve, avoid or preserve something? You must be clear about the benefit you offer and how the customer’s life or work will be improved if he or she buys what you sell.

The Price: Exactly how much are you going to charge for your product or service, and on what basis? How are you going to price it to sell at retail? How are you going to price it at wholesale? How are you going to charge for volume discounts? Is your price correct based on your costs of production and the prices of your competitors?

The Place: Where are you going to sell this product at this price? Are you going to sell directly from your own company or through wholesalers, retailers, direct mail, catalogs or the Internet?

The Promotion: Promotion includes every aspect of advertising, brochures, packaging, salespeople and sales methodology. How are you going to promote, advertise and sell this product at this price at this location? What is the process from the first contact with a customer through to the completed sale?

Creative marketing with the 4Ps constantly questions existing situations and looks for ways to enhance your marketing mix - deleting existing products or services, selling them at a different price, offering them in different places or promoting them differently. However, it does not require abandoning your core marketing concepts.



Write it Down

The best marketing tool you can have is a marketing plan. From defining your goals and mission, to researching and evaluating your marketing position, and then understanding your marketing mix, you've been developing your business's marketing plan.

- Product - What is my product?
- Target Customer - Who will buy it?
- Place and Promotion - Where will they find it?
- Price - How much will it cost?
- Budget - How will I get my marketing done and how much will it cost?

Take the time to write down your plan. A written plan can help keep you on track when marketing opportunities or threats arise. You'll have a framework for decision-making with your overall business goals in mind, rather than a knee-jerk reaction to change.

Summary

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."

