

CULTIVATING HEALTHY COMMUNITIES

Session 3: Marketing

UVM Farmer Training Program

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Value Propositions

Which value do we deliver to the customer?
Which value of our customer's problems are we solving?
Which benefits do we provide and for whom and why?
Which customer needs are we addressing?

Customer Channels

Through which Channels do our Customer Segments want to be reached?
How are we reaching them today?
What are our Channels' strengths?
Which ones are most cost-effective?
How are we leveraging them with customer feedback?

Customer Relationships

Which type of relationship does each of our Customer Segments expect us to establish and maintain over time?
How can they be created with the best of our business model?
How costly are they?

Customer Segments

Who are we creating value for?
Who are our most important customers?
What value are we creating for them?

The Business Model Canvas

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5 P's of Marketing

- Product
- Price
- Place
- Promotion
- People

The Marketing Research

PEOPLE

- Demand analysis
- Customer satisfaction



Part 2 of market workshop: Adapted from Mary Peabody, UVM Extension


The Marketing Research

- Market region – Where
- Customer profile - Who
 - Demographics
 - Psychographics
 - Geographic



Market Research & Planning

- Secondary research
 - Census information
 - Consumption trends
- Primary research
 - Survey's
 - Product sampling
 - Observation



Finding Secondary Research

- USDA Economic Research Service
- USDA Agricultural Marketing Service
- Bureau of Labor Statistics
- Associations and trade organizations
- Popular media (for coming trends)

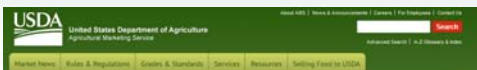


Table 9—U.S. beef consumption by

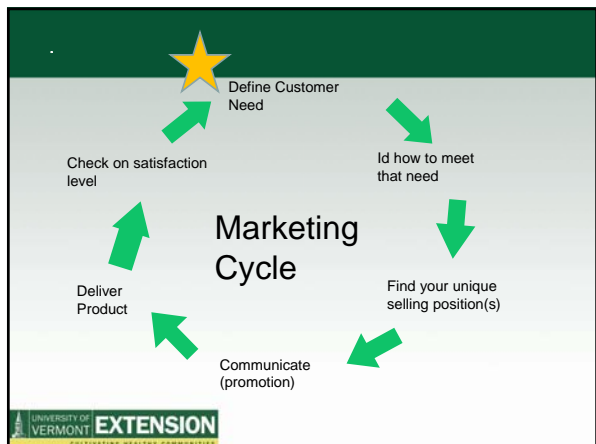
| Gender and age | All beef |
|----------------|-------------------|
| | Pounds per capita |
| Males: | 85.70 |
| Age— | |
| 2-11 | 54.01 |
| 12-19 | 95.24 |
| 20-39 | 109.85 |
| 40-59 | 89.43 |
| 60 and older | 64.81 |
| Females: | 48.14 |
| Age— | |
| 2-11 | 47.31 |
| 12-19 | 56.23 |
| 20-39 | 52.36 |
| 40-59 | 49.90 |
| 60 and older | 43.23 |



Creating Your Customer Profile

- Demographics
 - Age, income, education
- Psychographics
 - Lifestyle based, values
- Geographic
 - What is your market area
- Usage
 - How much does the customer buy? How often?
- Benefits
 - Healthy? Green? Luxury? Beauty?





Primary Research

- Survey's of potential customers
- Focus groups
- Tastings & Sampling
- Customer satisfaction evaluations

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| | |
|-----------------------|-------|
| Customer Segment: | _____ |
| Competitor names | _____ |
| Competitor products | _____ |
| Major characteristics | _____ |
| Product price range | _____ |
| Our advantages | _____ |
| Our disadvantages | _____ |
| Competition strategy | _____ |

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Product

A bundle of attributes (features, functions, benefits, uses) capable of exchange and/or use

Products exist to satisfy an individual or an organizational objective

Know your audience and be able to communicate your "product" effectively



Satisfying Needs



- Usage: the physical use of a product
- Service: an intangible benefit (can be measured but not easily).
 - The Brand Experience



| Nutrition Facts | |
|----------------------------|------------|
| Serving size 2 Eggs (200g) | |
| Amount per serving | |
| Calories | 110 |
| Total Fat 10g | 20% |
| Total Cholesterol 270g | 100% |
| Total Sugars 27g | 54% |
| Protein 10g | 20% |
| Calcium 47mg | 4% |



Product Features

- Color
- Size
- Raw materials
- Style
- Quantity
- Flavor
- Purpose
- Value
- Nutritional Claims
- 3rd Party Verification
- Reputation
- Social Value
- Life cycle
- Origin
- Image



Place

- Where the product is sold
- What type of buyers do you have the capacity to serve?
- What type of buyers demand your product



Place- Distribution Strategy



Place- Distribution Strategy



Price

- A variety of strategies can be used to set prices,

“Are you a price maker or price taker?”

- A balance of internal costs and customers willingness-to-pay



Pricing Strategies

Competitive Pricing: What are others charging?



- a. Relative Pricing/Signaling: Setting above or below similar products.

Cost Oriented: Know your costs

Penetration Pricing vs. Skimming

- a. Low prices break into a competitive market: Penetration
- b. Charge a lot when you are first in: Skimming



| | | |
|---|---|---|
| <p>Vermont Soft White Wheat Pastry Flour</p>  <p>Price: \$12.50 Qty: <input type="text" value="1"/> <input type="button" value="Add to Cart"/></p> | <p>Hard Red Wheat Berries</p>  <p>Price: \$4.25 Qty: <input type="text" value="1"/> <input type="button" value="Add to Cart"/></p> | <ul style="list-style-type: none">• Organic Red Wheat: \$16.79 per bushel• \$0.28 per pound <p>http://www.ams.usda.gov/mnreports/lbnof.pdf (national org grain and feedstuffs)</p> |
|---|---|---|



tonewood

Amber Rich - Maple Syrup - 8oz & 16oz
\$28.99

A pronounced maple flavor accompanies Grade A Amber Rich™ syrup, bright amber-chestnut hue. Most similar to the standard maple tradition, this syrup is an exquisite complement to pancakes and waffles. Amber Rich syrup is generally used to incorporate maple with other food flavors, working ideally as an accent for many breads, cookies, or chocolates. Maple lovers utilize it's bold taste to accent flavorful foods like coffee or cheeses. Many also use this versatile grade to infuse baked goods, marinades, and glazes with maple flavor.

All of our syrups are available in both 500 ml and 250 ml sizes.

Size
500ml

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MORSE FARM
MAPLE SUGARWORKS

\$12.65
In stock

Quantity 1

COMBINE ADD TO WISHLIST

A Amber, Rich Taste. Choose your Size

Bulk Maple: \$2.20 per pound (~ \$24.45 per gallon)

Roadside: \$55 per gallon

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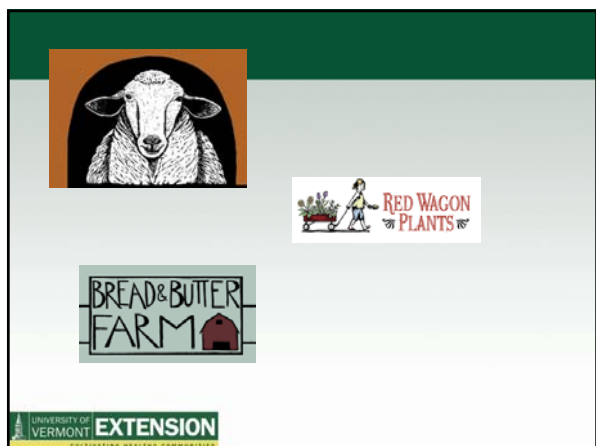
Tree Adoption
\$140.00

The TONewood adoption program provides an opportunity to support small maple producers and sustainable farming practices, while enjoying an assortment of TONewood's specialty products. When you adopt a maple tree, you offer small scale producers added financial security and help to preserve family-owned farms and the tradition of maple production - Please look to our 'Adopt' section for further information.

You'll receive three packages from TONewood including an adoption certificate and photo of your tree followed shortly thereafter by delivery of our Grade A Collection, including 250 ml/4 oz bottles of the three maple syrup grades. Lastly, you will enjoy our Sweet Plating package which includes our maple cube and maple wafers, two of our sweetest delicacies.

**The shipping cost for the adoption is \$35 which covers 3 deliveries. This cost is separate from the Limited Time Offer on shipping listed below.

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Margins and Markup

| 18 % Mark-up on cost | |
|----------------------|------------------------|
| Farm-gate Price | Distributor Sale Price |
| \$2.20 | \$2.60 |
| \$2.30 | \$2.71 |
| \$2.40 | \$2.83 |
| \$2.50 | \$2.95 |
| \$2.60 | \$3.07 |

| 35% Margin on Retail Price | |
|----------------------------|--------------|
| Farm-gate Price | Retail Price |
| \$2.20 | \$3.38 |
| \$2.30 | \$3.54 |
| \$2.40 | \$3.69 |
| \$2.50 | \$3.85 |
| \$2.60 | \$4.00 |
| \$2.70 | \$4.15 |
| \$2.80 | \$4.31 |

Promotion

- The “Message”
Mission based communication is different than product-based communication

- Communication Channel

Promotion

Communication Channel

- In a digital era, communications have shifted to relationships and dialogue.
- Repetition and reliability are important
- Analytics become key to measuring engagement.

