Session 3: Marketing

UVM Farmer Training Program

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The Business Model Canvas
Creativecommons.org

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)

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?
Define Customer Need

Id how to meet that need

Find your unique selling position(s)

Communicate (promotion)

Deliver Product

Check on satisfaction level

Marketing Cycle

Primary Research

• Survey’s of potential customers

• Focus groups

• Tastings & Sampling

• Customer satisfaction evaluations
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

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

- Logistics (order, delivery)
- Terms of Payment
- Risk and Uncertainty
- Promo Effort
- Successful Outlet
- Product Match
- Selling Price Matches Cost to Serve
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?
- Relative Pricing/Signaling: Setting above or below similar products.

**Cost Oriented**: Know your costs

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

- Organic Red Wheat: $16.79 per bushel
- $0.28 per pound

[national org grain and feedstuffs]
Bulk Maple: $2.20 per pound (~ $24.45 per gallon)

Roadside: $55 per gallon
Margins and Markup

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<th>25% Markup on Retail Price</th>
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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.