

DIRECT MARKETING STRATEGIES

STRATEGIES FOR SUCCESS

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Marketing is how you sell your products, make a profit, and build your business. Even the most skilled farmer or rancher must be a skilled marketer to thrive. Marketing requires that you understand what customers want and are available to deliver it to them. Marketing also includes the planning, pricing, promotion, and distribution of products for current and potential customers. Direct marketing refers to selling your products directly to the end-user, your individual customer. Popular direct marketing strategies or venues include Community Supported Agriculture (CSA), farmers markets, farm stands, U-picks, and online sales. Intermediated marketing refers to sales direct from the farm to a restaurant, retailer, food hub or food processor. Both direct and intermediated marketing are important sales strategies for small and mid-size farms.

Direct marketing often brings a better return for products, with no payments made to a broker or wholesaler. However, selling without a broker still has costs associated, one being more of your time spent developing customer relationships, and handling and selling your products. Direct marketing also requires a personality that enjoys dealing with the public. Below are some strategies for success in your direct marketing adventures.

START SMALL

Mishaps or errors tend to be less costly and more easily mitigated in smaller operations. Producing fewer, high-quality products will build a better business foundation than producing a lot of lower quality products. When developing a new product line, consider having tastings or sampling new products or offerings with family, friends, or loyal customers before marketing to a wider audience. *Be sure to check with your local health department before planning a tasting or sampling event.*

PLAN AHEAD

Even before your first seed is planted, you should make a marketing plan. Having a well thought out plan can be the difference between flourishing and feeling stressed. Reevaluate your plan each year and respond to the successes and failures of the previous seasons. Be prepared to jump on new opportunities, adapt to new trends, and be creative. As you determine which marketing strategies work best for your business, it is important you account for the costs of each marketing strategy (additional labor, cooling, packaging supplies, transportation, etc.) as well as the sales price of your products. True cost accounting is important to understand which marketing strategy or strategies will provide the best return on your investment and overall profit for your farm or ranch.

DIVERSIFY

Often the key to success and the ability to adapt to the unexpected fluctuations of the season can come from utilizing multiple marketing strategies each season. That way, if one strategy falls through, you can divert those products to another marketing method. Many small farmers and ranchers sell at farmers markets in addition to on-site sales and restaurant or retail sales. Diversifying your product mix can help you weather the downturn of one product. Including some value-added products, specialty jams and sauces, pre-washed and mixed packages of salad greens, and meats sold by the cut can provide a nice diversity. *(See Chapter 4 Selling Specific Products for more information).*

BE CONSISTENT & ORGANIZED

Customers will be loyal to farmers and producers who provide a product they can depend on and will be wary of repurchasing a product they once

found unsatisfactory. Establishing a high minimum standard for farm products and holding to it is in your best interest. Similarly, avoid fluctuations in price. Offering bargains may deter potentially returning customers who expect the lower price to remain constant. Being a reliable source of your operation's prices, products, delivery schedule, and production will help you win over customers and present yourself as a professional.

CONNECT WITH CUSTOMERS

Studies show that consumers, in addition to features such as freshness, quality, appearance, and availability of unusual varieties, are seeking an authentic experience or connection with a producer. This is why direct marketing is often referred to as "relationship marketing." Consumers have a growing desire to know where their food comes from. Many want to know the producer story behind the product and want to support local farmers and ranchers.

Beyond being professional in your interactions with customers, consider adding other avenues for your customers to connect with you. For most small farms, having a website is essential. Developing an email newsletter or mailing list provides an opportunity for you to consistently communicate with your customers – building and keeping your relationship fresh. An email newsletter is a great way to keep in touch during the off season and maintain community support. Instagram, Facebook, or other social media presences are a good place to share more of your story, as well as post about current products, issues, and opportunities in your business. Just remember, you don't control social media algorithms, so customers following you may not see all of your posts. Remember to follow through with commitments you make to customers, communicate clearly, and be aware of your limitations. It is better to do one or two things well, than to take on too much and be too spread thin to follow through.

KEEP RECORDS

Good records provide insight into marketing progress, successes, and what ventures are more, and less, profitable for your business. Financial records are required for tax purposes and to comply with the Food Safety Modernization Act's Produce Safety Rule recordkeeping requirements for Exempt, Qualified Exempt and Covered farms. Records of what grew and sold best the previous season can help you narrow down your product mix for the following season. Tracking expenses and previous prices will help you set each year's prices, while avoiding duplicating your work.

MARKET RESEARCH

Talk to other producers who use marketing strategies you're interested in and ask their experience or advice. A lot of valuable information can come from other producers. Communicate with customers about how satisfied they are with their purchases, listen to their suggestions, and be willing to adjust products accordingly. Keep track of current trends in gourmet, specialty, or popular foods, including innovations in packaging, advertising, or unique products. Social media, magazines, and periodicals can all be good sources of trend information.

