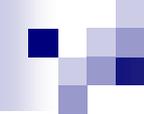


Cost Effective Marketing Plans and Resources

April 2011

Dawn Thilmany McFadden
Dept of Ag and Resource Economics
And Cooperative Extension
Colorado State University



Overview

- Strategic Positioning and Marketing
- Targeted Marketing to Customers
 - Connecting your message to the appropriate type of marketing materials and media
- Emerging Tools for Effective Niche Marketing and Promotion
 - Market Maker

Vision/Mission Statements

- Statements that explain who we are
 - *Type of organization*
 - *Products/services*
 - *Needs we fill*
- Statements that explain our direction, our purpose, our reason for being
 - *What difference do we make?*
- Statements that explain what makes us unique
 - *Values*
 - *People*
 - *Combination of products and services*

Mission Statement Examples

We are committed to producing quality, all-natural, raw dairy products. By sharing livestock ownership, customers have an authentic opportunity to experience agriculture production from farm to table. This partnership creates a niche market providing unique, wholesome milk, beef, and compost. And because customers are part owners in our business, they are guaranteed high value food and resources before they're even produced! We're located on Colorado's central front range, and your milk comes straight "*from our cows to your family!*"

A Sample Mission Statement

- The Chico Basin Ranch is dedicated to the enhancement and preservation of the natural world and our western heritage. Our mission is to create a working ranching model that views the ranch as an ecological resource base. This base supports a complementary mix of enterprises that emphasize sustainability, innovative management, and diversification as the keys to economic and ecological viability.
- We believe that ranchers provide an increasingly important role in the stewardship of our nation's native rangelands because ranchers already live on the land and because our families' futures depend on our success at building and maintaining the health of





Marketing Overview: *New Acronyms*

- Analyze strengths, weaknesses, opportunities and threats (SWOT)
- Research customers, costs and competition (3 C's)
- Develop the marketing mix using product, price, place and promotion (4 P's)

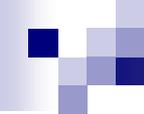
Types of Marketing

■ ***Strategic Marketing***

- Encompasses the entire firm strategy
- Deals with the broader issue of determining firm's strategic position in the market and how to create value from that position

■ ***Product Marketing/Pricing***

- Deals with the tactical side of selling a product
- Similar to a set of standard operating procedures for marketing a particular product.



What is strategic management?

- ✓ Strategic management is all about anticipating, driving, and capitalizing on change:
 - ◆ Anticipating: seeing the future (SWOT)
 - ◆ Driving: shaping the future (Goals)
 - ◆ Capitalizing: making the most of the future

SWOT Analysis

- Purpose to identify:

–Strengths

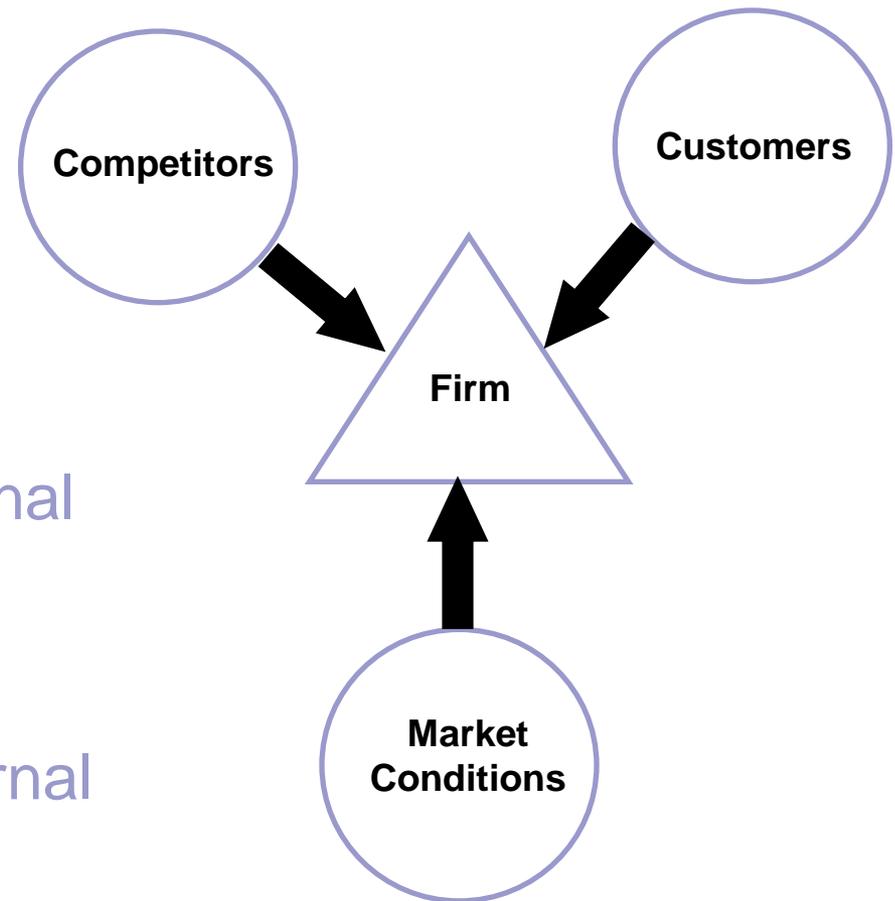
–Weaknesses

–Opportunities

–Threats

Internal

External





Know your marketplace

- **Strengths, Weaknesses, Opportunities, and Threats (SWOT)**
- **Trends and changes:**
 - **Market analysis**
 - **Segmentation**
 - **Prioritizing target markets**

The Three Cs Of Marketing

- 1. Customer
- 2. Costs
- 3. Competition

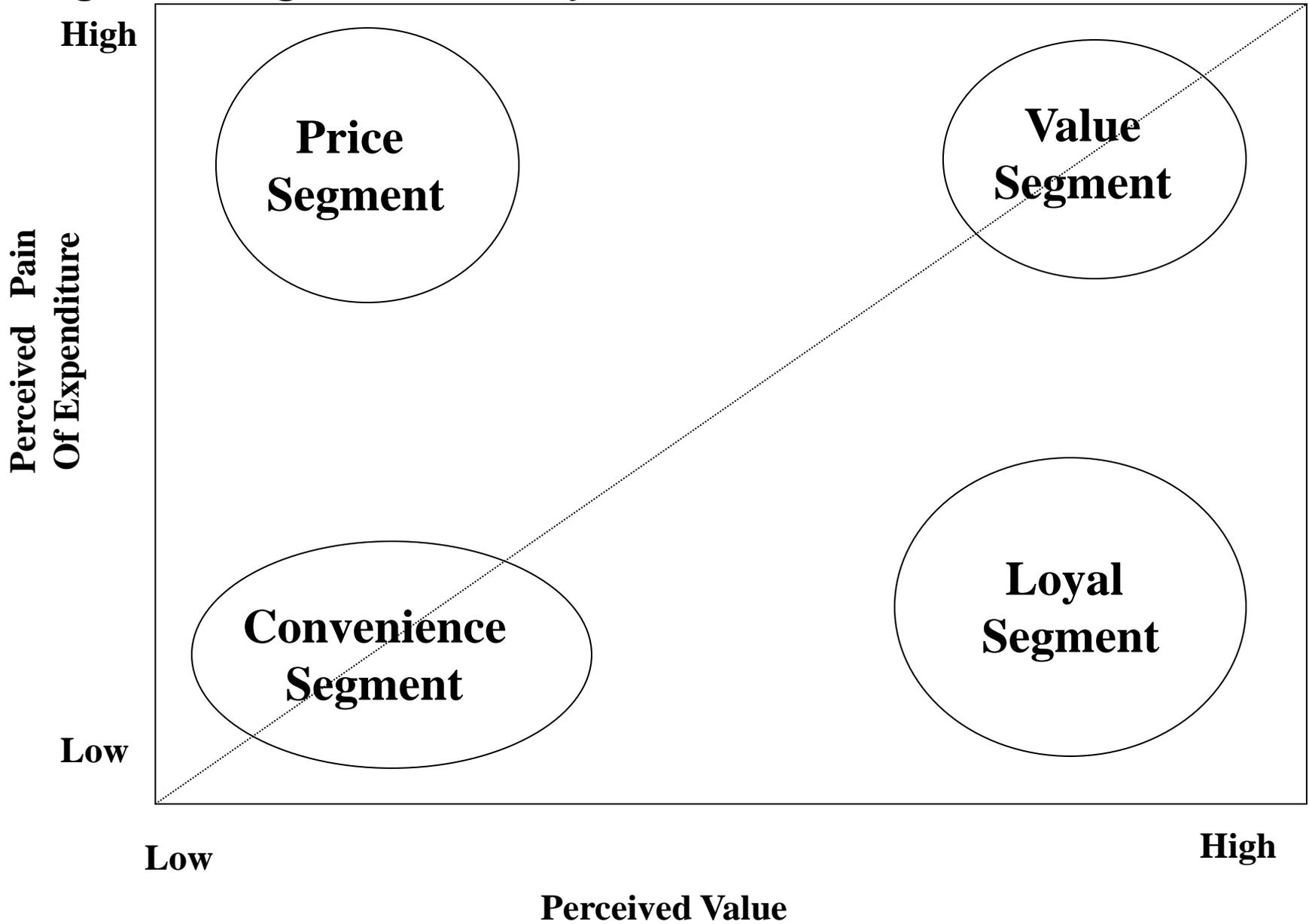


The Customers.....





Segmenting Markets by Influencers

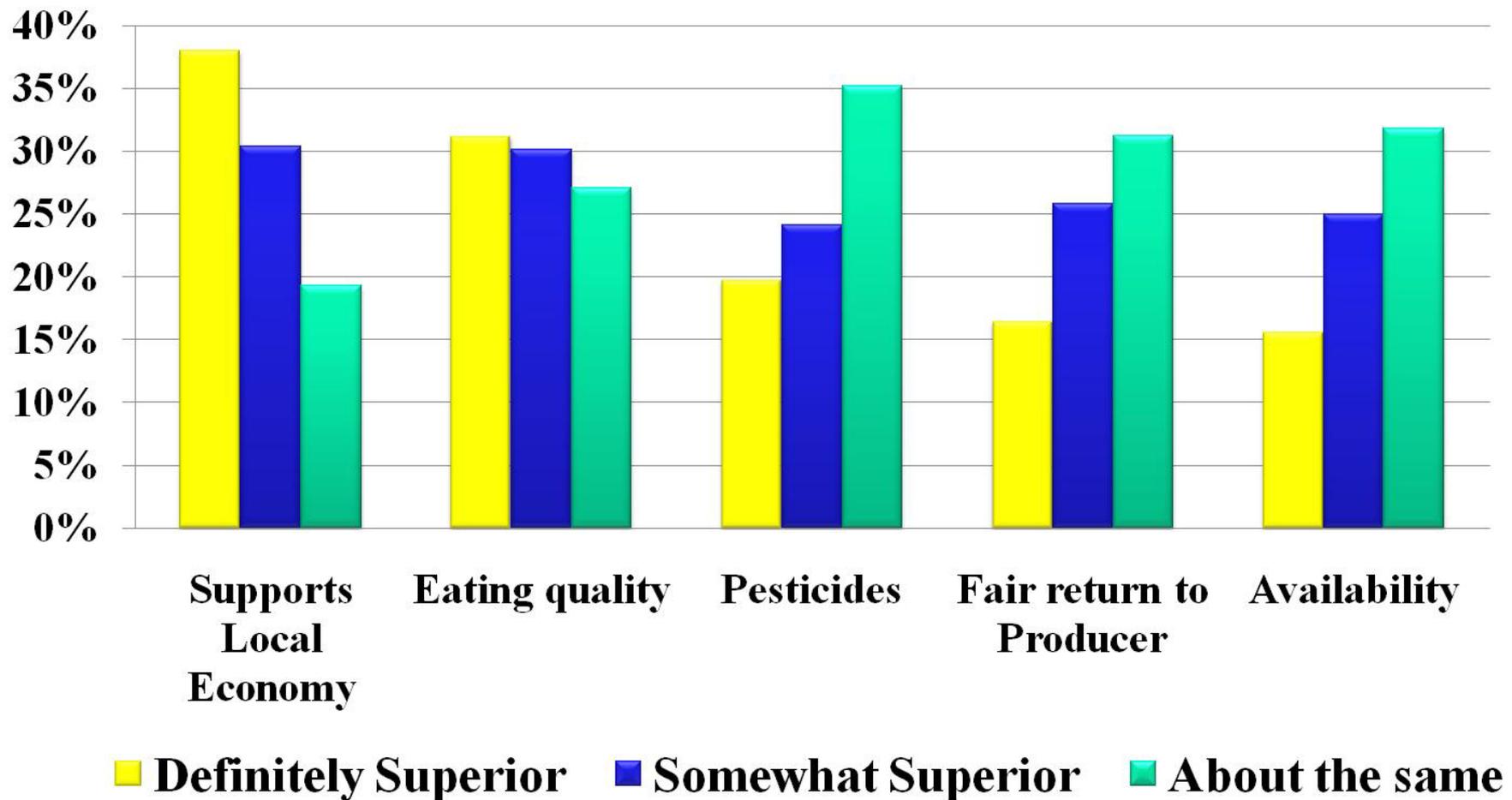




Target Segments

- Loyal are return customers ...less worried about costs, want a relationship
- Value segment are hardest to keep happy, but do recognize and value quality
- Convenience segment are those you can get to make impulse buys...less price sensitive
- Price segment is not too attractive unless you compete entirely on price

Consumer Perceptions about Local Produce (relative to US grown)



2. Your Costs (and their Spending)



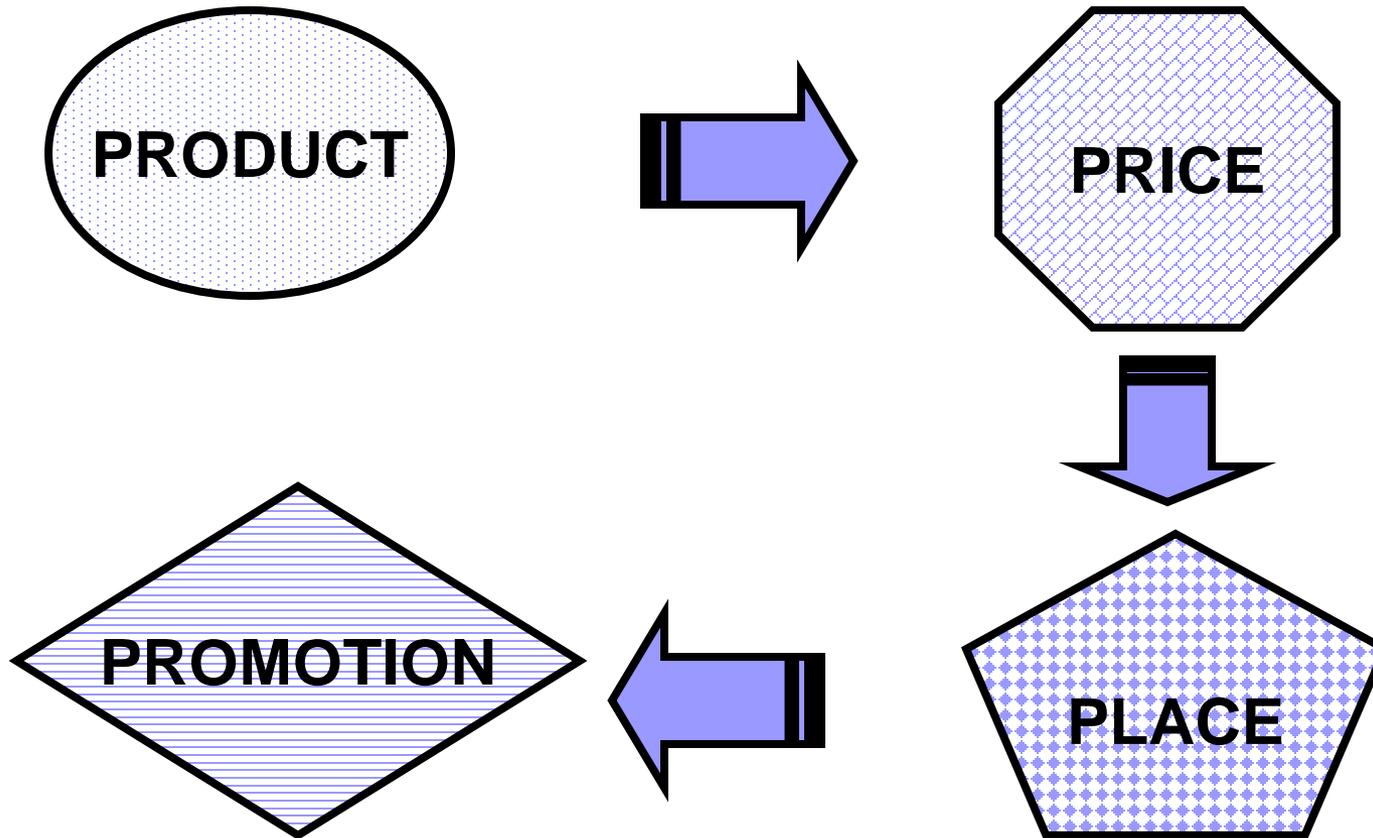
- Know variable costs of producing your product
- Realize there are fixed costs that must be paid, whether you produce your product or not
- Use variable and fixed costs to calculate the break-even point where costs are covered
 - See Worksheet
- Compare break-even with industry standards

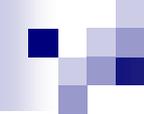
3. The Competition

...and Other Challenges

- From SWOT analysis, assess your business' strengths and weaknesses compared to your competitor's
- Competition can be other operations, regions, types of recreation or leisure
- Emulate your competition's strengths and overcome their weaknesses
- Differentiate your product from the competition's

The Marketing Mix: Implementation





1. Product (or Service)

- Goods that satisfy the needs of a target market should have the following characteristics:
 - Physical features (design and packaging)
 - Branding and image/personality
 - Degree of customer service: products and services
 - Consistent quality, supply or experience
 - Pricing to cover costs & generate required margins or returns

What are you marketing?



Grass ?
or
Livestock ?



Meat ?
or an
Experience?





Horizon Dairy's Product Package

Organic-anti-"all the bad things"

- Happy Cows
- Fun for the kids
- Variety
- Convenience
- Advocating farms through education and policy



Know your Customer's Goals

BERRY ADVENTURES

[HOME](#)

Again this year we are proud to announce choices in the subject matter of our adventures. This will give you, the educator, greater freedom to select the curriculum that may fit with what you are teaching in class. Shown are the descriptions of the Adventures.

Select the one you wish the class to study, then scroll to the



TRACK A: "THE GOOD, THE BAD & THE UGLY" This ninety minute adventure studies which insects farmers love and which they dislike as well as how beneficial insects are used in organic farming practices. Through a video, talk and hands on demonstration a greater understanding and appreciation will be had by the student regarding the challenges in organic farming. Included in the ninety minute field trip is berry picking (strawberry or raspberry whichever is in season) whereby the class will take a hayride out to the berry fields to enjoy picking a pint of berries. Colorado Teaching Standards: Life Science 3.1 & 3.3 Costs: \$5.00/student (minimum charge: \$75.00)



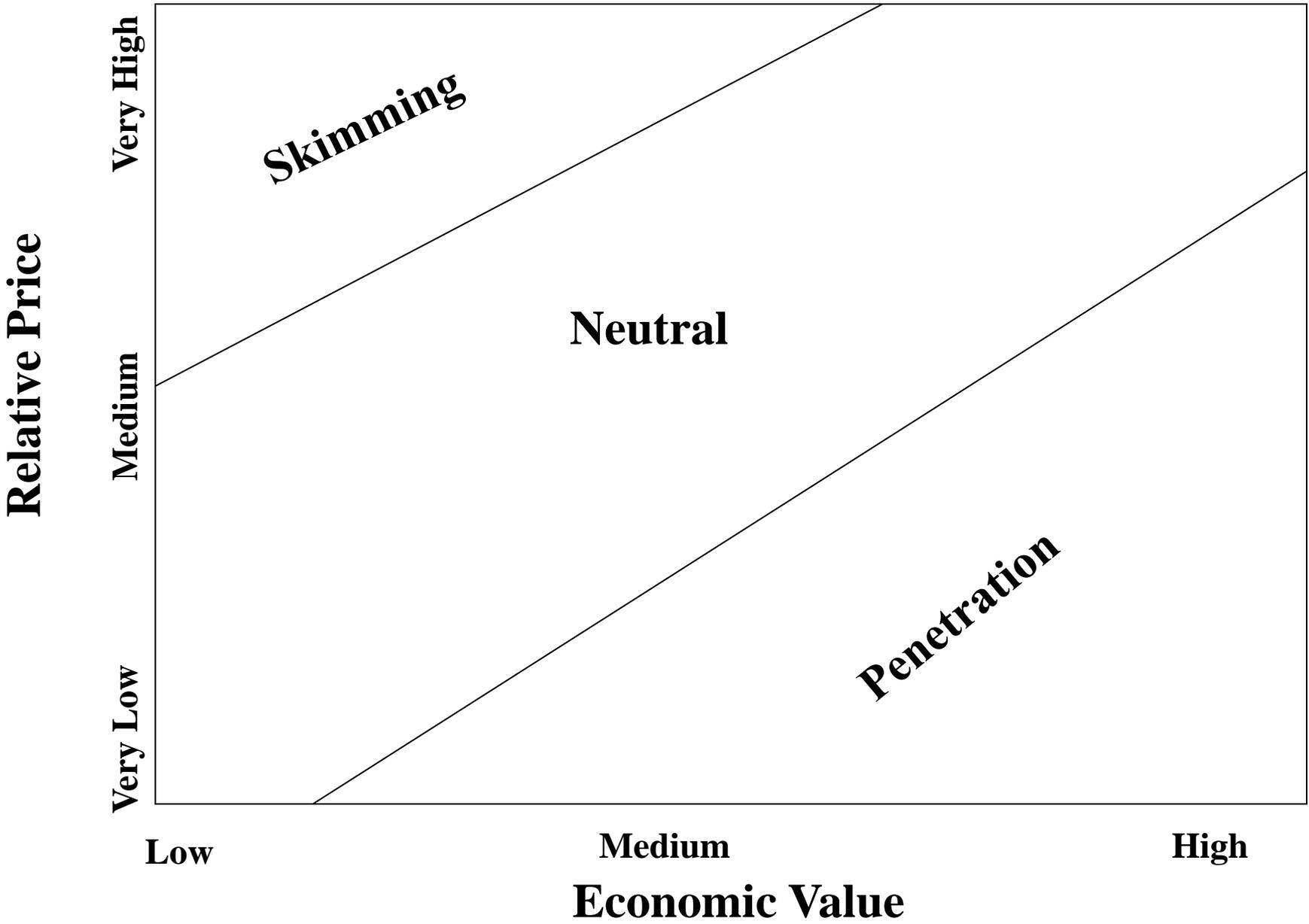
"A UNIQUE FARM EXPERIENCE WITHOUT THE ATTITUDE"

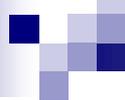
Clearly targeting the need to Connect with educational standards

2. Price

- Set prices based on:
 - Value-based pricing (match price to perceived value by customer, brand loyalty, customer oriented price)
 - Competition-based pricing (match prices to similar products of your competition)
 - Cost-based pricing (set price dependent upon production costs)
- Use discounts or incentives to boost sales but with a specific goal in mind
- Price strategies include challenge to get most of consumer budget on your product/service

Generic Pricing Strategies





Pricing Strategies: Segments

- Loyal and Convenience consumers can be highest revenue potential...skimming
 - Artisinal, foodies or ready to eat products
- First time buyers may be attracted through penetration
 - Low or at cost pricing to Cover Fixed Costs
 - Sampling in new market with coupons
- Good pricing strategies can help increase revenues from those less price sensitive



Details

From Direct Link

Anderson Farms

6728 Weld County Road 3-1/4
Erie, Colorado, 80516

Email: [Contact Us](#)
Website: www.andersonfarms.com
(opens in a new window)
Phone : (303) 828-5210
Last Updated: Nov 22, 2010

Map data ©2011 Google

Enter your zipcode for directions:

Agritourism

Offerings & Activities

Attractions



Anderson Farms Fall Festival

- [Hours & Pricing](#)
- [Group Rates](#)
- [Online Tickets](#)
- [Book a Group](#)
- [Book a Field Trip](#)
- [Coupons](#)
- [Activities & Vendors](#)
- [Gemstone Mining](#)
- [Concessions Menu](#)
- [FAQ's](#)
- [The Corn Maze](#)
- [Past Corn Mazes](#)
- [Find Us!!](#)

described in the pumpkin patch at the ticket booth and in the general store.

RESERVATIONS MUST BE MADE 48 HOURS IN ADVANCE

Fall Festival

Prices below reflect a \$1.00 discount off regular admission

Children 4 - 12 years:	\$ 9.00
Adults 13 - 59 years:	\$11.00
Seniors 60 + years:	\$ 9.00

Book your group to come on any Monday through Thursday or any day through October 7th and RECEIVE A SECOND DOLLAR OFF PER PERSON.

Add a Meal Deal!

(Must be purchased with Fall Festival ticket)

Hot Dog Meal Deal: \$5.00

Purchase a hot dog, chips and a drink and receive a free small pumpkin! Save \$4.50 off regular price!

BBQ Meal Deal: \$7.00

Purchase a BBQ chicken or pork sandwich, chips and a drink and receive a free small pumpkin! Save \$4.50 off regular price!

For Example:

If you buy two adult Fall Festival tickets (2 x \$11) and add one Hot Dog Meal (\$5) & one BBQ Meal Deal (\$7) the price will be \$34.



3. Place – Distribution Channel

- Strategic elements of location
- Where customers purchase product or service, how purchase is made
- Product must be at the right place, at the right time, in order to sell & provide profit to producer
- Channels include:
 - For food, direct sales, internet sales, broker or distributor are all important
 - Market Maker may be a new channel!!

Key Point

- Marshall Fisher, Harvard Business Review
 - “***Functional Products*** require an efficient process; ***innovative products*** a responsive process.”
- For services, can you create revenue streams from understanding consumer needs/interests...sometimes on the spot
 - *Example: Pumpkins at corn mazes, local foods at wineries, food stands and farm tours along transportation corridors*



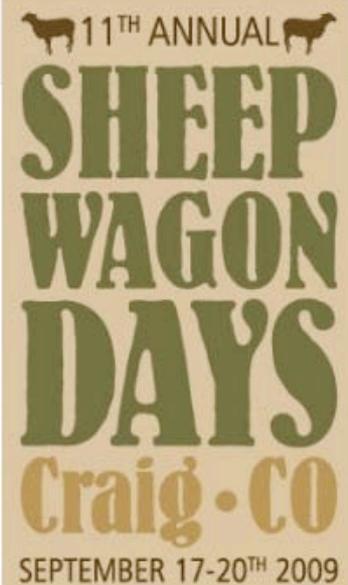
Promotional Objectives

- Stimulate sales
- Differentiate product offerings in varying markets
- Share information
- Accentuate value of product
- Stabilize seasonal demand

Promotional Methods

- Advertising: newspaper, television, magazine, radio, Internet, billboard
 - Does your business have a unique story?
- Public relations: community service or events
- Sales promotions: point-of-purchase displays, trade shows, exhibitions and demonstrations (free samples)
- Word of mouth

Social Networking: Facebook



11TH ANNUAL
**SHEEP
WAGON
DAYS**
Craig • CO
SEPTEMBER 17-20TH 2009

- Edit Page
- Promote with an Ad
- Activate Mobile Status Updates
- Promote with a Fan Box
- Send an Update to Fans
- Add to My Page's Favorites
- Suggest to Friends
- Subscribe via SMS
- Remove from My Page's Favorites

Free Family Fun Festival with something for everyone.

Craig Sheep Wagon Days

Wall Info Photos Discussions Reviews +

What's on your mind?

Attach:     [Share](#)

 Options

 **Dan Bingham** You did a great job. Hope everyone appreciates all your hard work.
September 24 at 10:08am · Comment · Like · Report

 **Craig Sheep Wagon Days** Thanks! I'll be posting more photos soon! You took some really great shots throughout the weekend! I'll be updating the website with them as well. Thanks again!
September 24 at 10:10am · Delete

Write a comment...

 **Craig Sheep Wagon Days** Here are some of the great pics from the amazing helicopter rides available at SWD thanks to Donovan, Cinnamon & Kevin with Vertical Horizons.



Vertical Horizons LLC
18 new photos
 September 24 at 10:01am · Comment · Like · Share



RIMROCK DUDE RANCH

Member of The Dude Ranchers Association



Ranch
Vacation

Wilderness
Pack Trips

Snowmobile
Trips

Hunting

Fishing

Photo
Albums

Area Maps

General
Area Info

Send
Postcard



Promotional Resource

- MarketMaker is a free tool that:
 - **Helps** consumers find producers
 - **Aides** producers in promoting their operations and products
 - **Assesses** the food and agriculture of an area by providing an inventory and a networking resource

COLORADO

MARKETMAKER™

Linking Agricultural Markets

From Farm to Plate

- Colorado MarketMaker
 - **Builds** an information network to help farmers access domestic and international markets
 - **Helps** consumers find Colorado products

COLORADO

MARKETMAKER™

Linking Agricultural Markets

What Can MarketMaker Do?

- **Provide** searchable online business profiles and food system mapping for agricultural products in Colorado
- **Locate** producers, processors, wholesalers, food retailers, restaurants, and farmer's markets within Colorado
- **Identify** potential consumer segments by demographic characteristics and regions

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MARKETMAKER™

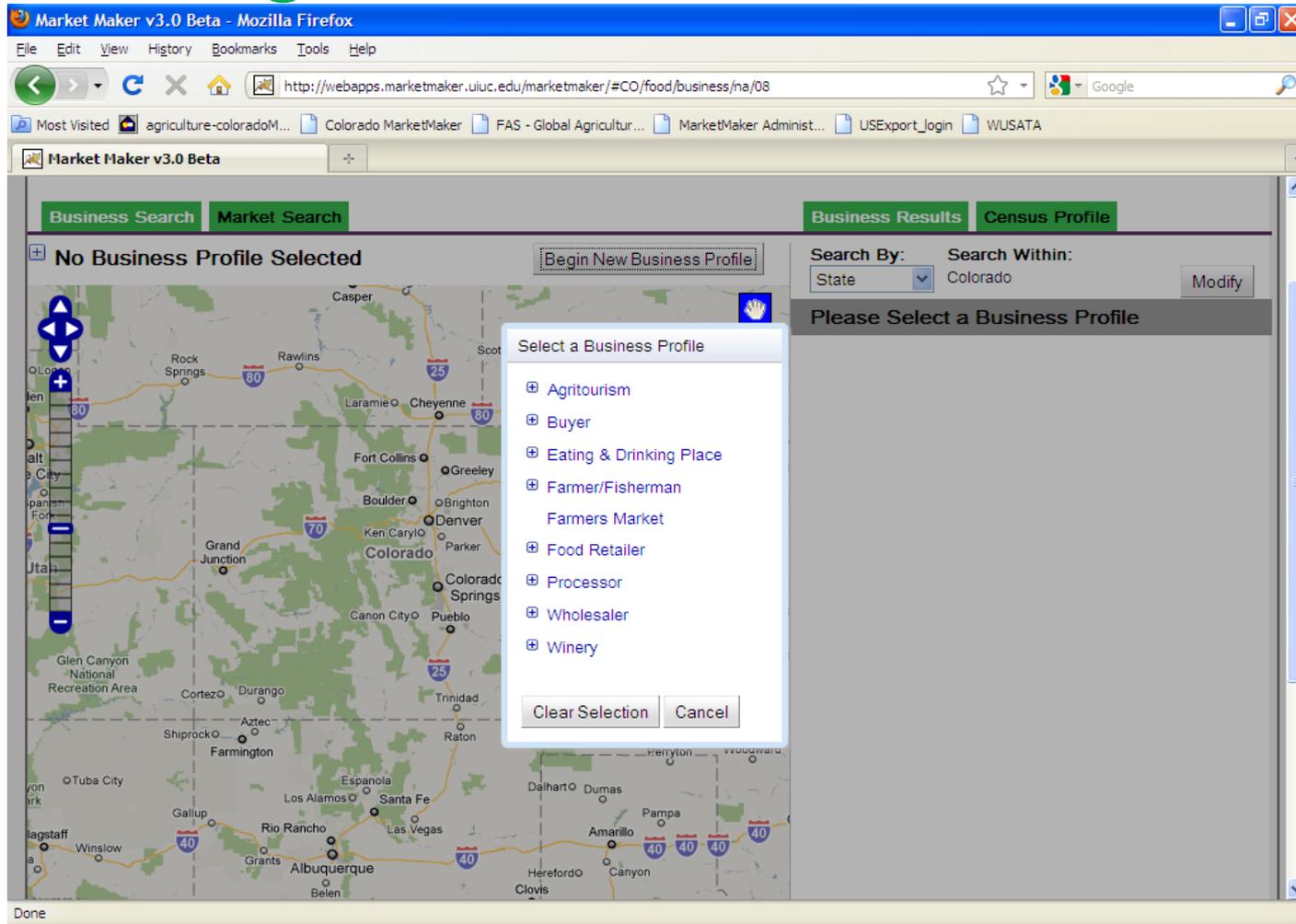
Linking Agricultural Markets

How to find locally produced food...

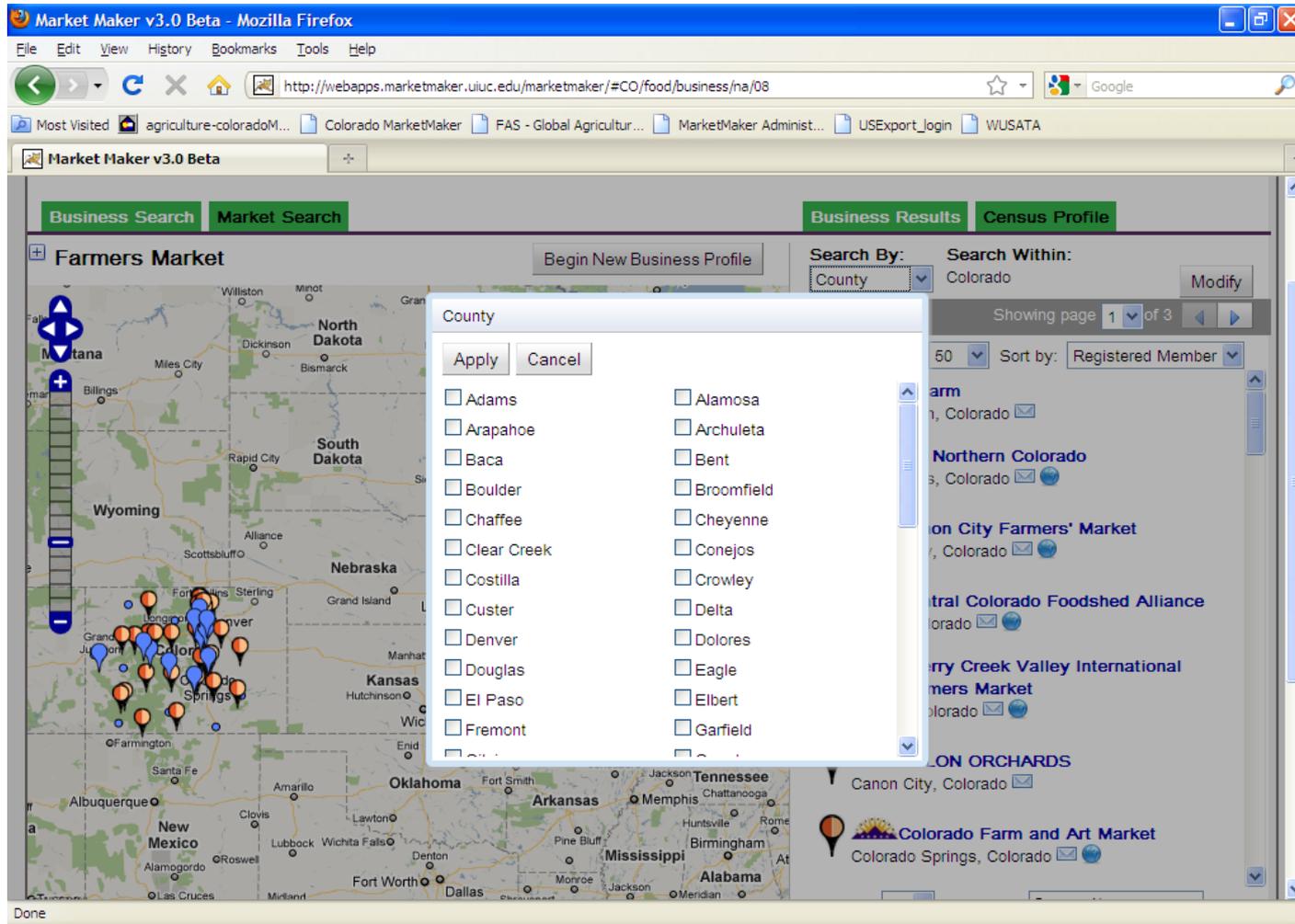
The screenshot shows the Colorado MarketMaker website in a Mozilla Firefox browser window. The browser's address bar displays the URL <http://co.marketmaker.uiuc.edu/>. The website's header includes the Colorado MarketMaker logo and navigation links for HOME, SEARCH, HELP, ABOUT US, CONTACT US, and LOG IN. A main banner features a map of Colorado with several blue location pins and a photograph of a farm with a silo. Below the banner, there are two tabs: "for BUSINESSES" and "for CONSUMERS", with the latter being selected. A search bar is present with the text "I'm looking for a" followed by a dropdown menu showing "Farmer/Fisherman", and "near" followed by a text input field containing "Zip (optional)" and a "Search" button. A secondary navigation bar contains links for "Learn MarketMaker", "Case Studies", "Related Websites", "Factsheets", and "Glossary". The main content area is divided into three columns. The left column, titled "National MarketMaker", includes a map of the United States with orange highlights in several states and a dropdown menu labeled "Select a State...". The middle column, titled "Business Spotlight", features a photo of a chef and text about "Epicurean Butter" developed by Chef John Hubschman. The right column, titled "MarketMaker Blog", lists two articles: "A behind the scenes look at MarketMaker" and "White House Report: Strengthening the Rural Economy". At the bottom of the page, there is a "BUY & SELL FORUM" section with a "MARKET PLACE" logo and four categories: "Looking to Buy", "Looking to Sell", "Value-added services", and "Transportation". A "Taste of the States" link is also visible at the bottom right.

www.comarketmaker.com

Click “Begin New Business Profile”



Narrow Your Search



Use the map to find Colorado companies!

The screenshot shows the Market Maker v3.0 Beta web application in a Mozilla Firefox browser. The browser address bar shows the URL: <http://webapps.marketmaker.uiuc.edu/marketmaker/#CO/food/business/na/08>. The application interface includes a navigation menu with 'Business Search' and 'Market Search' tabs. The main content area features a map of Denver with several blue location markers. To the right of the map is a search results panel. At the top of this panel, there are search filters: 'Search By: County' (set to Denver) and 'Search Within: Denver'. Below these filters, it indicates '16 results' and 'Showing page 1 of 1'. The results are sorted by 'Registered Member' and displayed in a list format. Each result includes a location pin icon, the company name, and the address 'Denver, Colorado'. The results listed are:

- Cherry Creek Valley International Farmers Market
- Denver Urban Homesteading
- Highland Farmers Market
- Old South Pearl Street Association - Farmers Market
- Cherry Creek Fresh Market
- City Park Esplanade Farmers' Market
- Civic Center Outdoor Market & Cafe

Use the Market Place to Buy and Sell Products or Advertise Value-Added Services

The screenshot shows the Colorado MarketMaker website in a Mozilla Firefox browser. The browser's address bar shows the URL <http://co.marketmaker.uiuc.edu/main/index>. The website features a navigation menu with options like 'File', 'Edit', 'View', 'History', 'Bookmarks', 'Tools', and 'Help'. Below the browser window, the website content includes a 'Select a State...' dropdown menu, a 'BUY & SELL FORUM' section with icons for 'Looking to Buy', 'Looking to Sell', 'Value-added services', and 'Transportation', and a 'MARKET PLACE' section with a calendar for August 2010. The calendar shows the 18th as the current date. There are also sections for 'Upcoming Events', 'MarketMaker News', and 'Follow MarketMaker' with social media icons for Facebook and Twitter.

BUY & SELL FORUM

Looking to Buy	Looking to Sell	Value-added services	Transportation
12 current listings ▶	58 current listings ▶	13 current listings ▶	0 current listings ▶

Upcoming Events

National Value Added Agriculture Conference
 Event dates: 2010-06-26 - 2010-06-29
 Mississippi State University Extension hosts this year's conference in Biloxi, MS. The conference features two days of programs and breakout sessions in support of value added agriculture. [Learn More](#)

MarketMaker News

Kentucky Continues to Expand Opportunities for Farmers
 The University of Kentucky recently hosted a focus group for chefs and foodservice administrators. [Learn More](#)

South Carolina Joins MarketMaker
 The Palmetto State's freshest seafood and agricultural produce is just a mouse click away. [Learn More](#)

Follow MarketMaker

Facebook Twitter

The Market Place

Colorado MarketMaker - Mozilla Firefox

File Edit View History Bookmarks Tools Help

http://co.marketmaker.uiuc.edu/main/marketplace

Most Visited agriculture-coloradoM... Colorado MarketMaker FAS - Global Agricultur... MarketMaker Administr... USExport_login WUSATA

Colorado MarketMaker

Home>Buy & Sell Forum

Buy & Sell Forum Overview

If you would like to post a listing on the **Buy & Sell Forum** but aren't yet registered with **MarketMaker**, please contact [Gina Backes](#).

Looking To Buy

End users in the value-added food chain seek products for restaurants, grocery stores and farmers markets.



12 Current Buy & Sell Forum Listings

[View Current Listings](#)

Looking To Sell

Agricultural entrepreneurs with products to sell can list their inventory here.



58 Current Buy & Sell Forum Listings

[View Current Listings](#)

Services and Equipment

If you need or offer processing services for value-added agriculture, look here.



13 Current Buy & Sell Forum Listings

[View Current Listings](#)

Transportation

If you need to have product transported or if you are in the business of transporting products, look in this category.



0 Current Buy & Sell Forum Listings

[View Current Listings](#)

Latest Buy & Sell Forum Postings

Title	Category	Region	State	Start Date	End Date	Views
-------	----------	--------	-------	------------	----------	-------

Done

Clicking on the link will reveal the advertisement!

Colorado MarketMaker - Mozilla Firefox

http://co.marketmaker.uiuc.edu/main/mp_category/2

Category Listing

Looking To Sell

Title	Region	State	S
Colorado Proud Tasting BBQ	Mountain Plains	Colorado	Al
Jalapeno Peppers Grown in Central KY	Southeast	Kentucky	Al
Local products in the Ohio Valley	Mid-West	Ohio	Al
Okra	Southeast	Florida	Al
Fresh peaches	Mid-West	Michigan	Al
Pasture-Raised Eggs In Bulk	Mountain Plains	Colorado	Al
winter squash	Southeast	Kentucky	Al
Blue Sky Natural Angus Beef	Mountain Plains	Colorado	Al
BBQ Sauce For Retailers	Mountain Plains	Colorado	Al
All Natural BBQ Sauces	Mountain Plains	Iowa	Al
Gourmet Dip Mixes	Mid-West	Michigan	Al
USDA Certified Organic Skincare	Mid-West	Michigan	Al
Local Raw Honey	Mountain Plains	Colorado	Al
2011 Harvest Expected early June	Mountain Plains	Colorado	Al
alfalfa-hay	Mid-West	Michigan	Al

Colorado MarketMaker - Mozilla Firefox

http://co.marketmaker.uiuc.edu/main/mp_detail/434

Looking To Sell

Pasture-Raised Eggs In Bulk

Description:



<< >>

H & J Farms is getting a large amount of eggs, ~8 dozen a day. In about January we will be getting ~30 dozen a day, ~210 dozen a week. If you would like to provide great tasting healthy Farm Fresh eggs to your patrons and family, don't miss out. Place your order today.

We look forward to serving you soon!

H & J Farms
<http://www.handifarms.com>
sales@handifarms.com

COLORADO

MARKET  MAKER™

Linking Agricultural Markets

How can you participate?

- Simply use CMM to find and purchase locally produced products
- Be an active buyer
- Tell your friends . . . Spread the word!

COLORADO

MARKET  MAKER™

Linking Agricultural Markets

Our CMM Team Goals

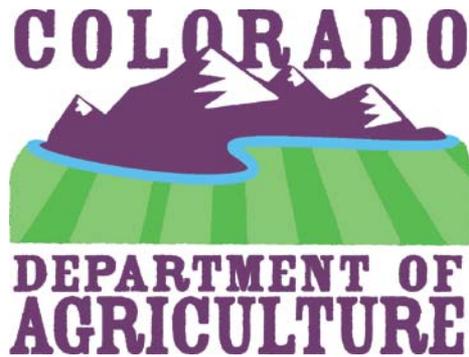
- **Facilitate** market coordination and networking
- **Find opportunities** to use this resource in developing markets locally, domestically and internationally
- **Help businesses . . . MAKE COLORADO SALES!!!**

COLORADO

MARKET  MAKER™

Linking Agricultural Markets

Questions?



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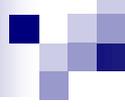
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Email: dawn.thilmany@colostate.edu

Research with Market Maker

Exploring New Ideas

■ **GFF Farmers' Market Prepay Card Plan**

- The idea is a cross between our CSA program and table sales. If you have opinions or suggestions, tell us.
- Participants in this program could 'prepay' any amount over some minimum (\$50).
 - Prepaid amounts would provide an effective discount. For example, a \$50 prepay would have a value equal to \$55 (10 % more) of Genuine Faux Farm market table purchases.



When Promoting Your Product...

- Determine desired message you want your customers to have about your product
- Set goals promotion will accomplish - either public relations for your business, increasing product sales, or nurturing loyal customers
- Design a budget for promotional expenses; determine which promotional strategies will fit your budget and goals



Your Marketing Plan

- Double Check:
 - Possible with Current Resources?
 - Addresses a Market Opportunity
 - Balanced between Loose and Tight
 - Visionary, but Pragmatic
 - Clear Objectives and Vision Behind Each Market Strategy Choice
- Which P will guide your Initial Energy?

Innovative Marketing Ideas

- If you are looking to diversify your operation by including agritourism activities on your farm/ranch, or food based business
- Your County Extension Office!!
- Colorado Department of Agriculture
 - <http://www.coloradoagriculture.com/>
- Agricultural Marketing Resource Center
- Agriculture Innovation Center
- Colorado State University-Extension
 - Marketing Fact Sheets at:
 - <http://dare.colostate.edu/pubs/extension.aspx>