Cost Effective Marketing Plans and Resources
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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
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

Diagram:
- Firm
  - Internal: Competitors, Customers
  - External: Market Conditions
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

- **Perceived Pain of Expenditure**
  - Low
  - High

- **Perceived Value**
  - Low
  - High

- **Segments**
  - **Price Segment**
  - **Value Segment**
  - **Convenience Segment**
  - **Loyal Segment**
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)

- Supports Local Economy
- Eating quality
- Pesticides
- Fair return to Producer
- Availability

- definitely superior
- somewhat superior
- about the same
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

"A UNIQUE FARM EXPERIENCE WITHOUT THE ATTITUDE"

Clearly targeting the need to Connect with educational standards

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 bottom of the page.

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)
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

Relative Price

Very Low

Medium

Very High

Economic Value

Low

Medium

High

Neutral

Skimming

Penetration
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
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

Offerings & Activities

Agritourism

Attractions
Anderson Farms Fall Festival

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

  - “*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

Craig Sheep Wagon Days

What's on your mind?

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
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

www.comarketmaker.com
From Farm to Plate

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

www.comarketmaker.com
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
How to find locally produced food...

www.comarketmaker.com
Click “Begin New Business Profile”

www.comarketmaker.com
Narrow Your Search

www.comarketmaker.com
Use the map to find Colorado companies!

www.comarketmaker.com
Use the Market Place to Buy and Sell Products or Advertise Value-Added Services

www.comarketmaker.com
The Market Place

www.comarketmaker.com
Clicking on the link will reveal the advertisement!
How can you participate?

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

www.comarketmaker.com
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!!!
Questions?

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www.comarketmaker.com
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