

Marketing and Promotion Resources: Leveraging Existing Programs and Resources

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Overview

One of the most important marketing decisions that managers may need to make centers around determining the most effective way to promote their business and products. This fact sheet will provide some guidance by defining some of the primary roles and forms of promotional activities. For niche markets, effective promotion may mean translating the venture's message to the appropriate type of marketing materials and media. Since promotional strategies may not be at the top of a firm's list for investing available resources, researching the existing public resources available for local and direct marketing in the Western region may be more cost effective.

Promotion is considered to be one of the "4 Ps" commonly used in marketing plan strategy (the others being price, product, and place). It is essential that promotion is complementary to, and leverages, the other elements as well. Most people understand that promotion includes advertising, public relations, and sales activities, but fewer understand the intended role of promotion, which of the activities it will affect, and how it will affect them. When done correctly, promotion influences the attitudes and buying behaviors of customers in a target market. More specifically, a firm's activities should encourage product purchase and market expansion, so promotion is important for positioning and firmly establishing a product in the market. This is a slightly different challenge for niche markets since, by definition, the product and its potential appeal are narrowly targeted at a specific set of consumers who may only be receptive to messages from a small range of media, sales strategies, and influencers.

An effective promotion strategy will reach target customers through several types of media. These may include the following:

- Print media: residential mailers and brochures
- Electronic media: websites and Internet advertising
- Published media: newspapers, magazines, and coupons
- Broadcast media: television and radio

Traditional media avenues include newspapers, radio advertising, yellow pages, and advertising with local and state agencies. Although these media avenues can be successful, it is imperative that the chosen media be appropriate for the target market. For example, if the target market is working women, aged 25-35, it would be best to conduct radio advertising during commute times, or use newspaper advertising on the weekends, as this market is likely to read the newspaper only on Sunday. The section of the newspaper the advertising falls under is also important.



Although newspapers are a traditional advertising outlet, they may be too broadly defined to effectively target a niche's likely consumers. When discussing the limitations of print media, it is important to consider the differences between mass and target marketing. Mass marketing generally relies on one message targeted at the "average" or representative consumer, so broadcast media (such as newspapers) will be effective. Target marketing, on the other hand, is based on the idea that customer segments are motivated by different claims, messages, or stories. Because of this, large-scale media outlets are less likely to be cost effective, but some media (Internet, targeted ads in radio, television and publications) may work.

Other uses of promotional tools in target marketing are informational brochures and taste samples. Additional interactive food and nutrition information sources were positively linked with customers purchasing food products directly from producers when Thilmany et al. (2007) studied credibility and desirability of different information sources. This finding reinforces the effectiveness of marketing food information among direct buyers when it is provided through newsletters and sample booths to target direct buyers.

Electronic Media

Thilmany et al. (2007) found that online food and nutrition newsletters may be an equally good venue (relative to personal newsletters and information booths at markets) to advertise products, farmers' markets, CSAs, and road side stands. Because they can be customized and updated frequently, Web sites can be powerful marketing tools and are recommended as the basis of a promotion plan. The drawbacks are the potential lack of expertise and experience in this type of marketing and promotion development. The website design is important in building brand awareness and connecting products to consumers. There are companies who build websites and include hosting and other support services as part of a package. An Internet marketing services firm, We Build Pages, has several agriculture website templates available for purchase, starting at \$56.00 (www.webuildpages.com). Additionally, eatdrink.com builds unique websites to promote products and services (www.eatdrink.com). Numerous Internet service providers (ISPs), such as Earthlink.net, offer hosting and shopping cart services for various monthly fees.

Whether considering print or electronic media, a promotional campaign must have a theme, and begs the question:

- Does the business have a unique story that is targeted at a small set of consumers?

If the answer to this question is yes, it is likely that the business can connect with consumers in a more interactive and personal promotional venue. In short, the business manager should consider:

- Are there more cost effective (or free!) methods?

Public relations, including community service or events, is often overlooked in promotional strategies, but can be a very effective and inexpensive way to raise the firm or product's image with potential consumers. Similarly, the word of mouth gained from trade shows, exhibitions, and sales promotions are ways to connect trials, education, and demonstrations of the product with getting the word out to the public. In the case of niche food products, many would argue that word of mouth referrals to friends and family is the most cost effective way to reach new customers, so consideration should be given to how satisfied customers might be encouraged to "spread the word." Such methods of encouragement might include coupons to distribute to friends, inexpensive gift bundles (for them to share with others) and thanking them with special

deals if it is known they are referring others to the business. However, if the firm's marketing budget is limited, it may be effective to explore an even greater array of free and minimal cost public promotional resources.

Existing Promotional Resources to Serve Niche Markets

Although there are a great number of promotional resources that have emerged over the past few years to support alternative, value-added, and direct marketing efforts by agricultural producers, the following is a summarization of some of the most complete, representative, and relevant ones for niche producers in the West.

The Agricultural Marketing and Resource Center (AgMRC) is a very broad-based marketing resource for producers and represents the partnership of three major university programs, with resources and references from numerous additional organizations. In terms of promotional resources directly available for producers to consider, the link to "Directories and State Resources" lists a number of directories (many free), to which producers can submit their business for inclusion. Along with many of these links are individual state contacts, who may provide technical assistance and marketing programs. These resources may include directories, market statistics, databases, workshops, networks with potential buyers and/or free marketing materials for state-branded programs (see Figure 1 for Colorado example). AgMRC can be found online at www.agmrc.org.

AgMRC is also a major partner in an emerging national program, MarketMaker, which seeks to link agricultural buyers and sellers. The University of Illinois began MarketMaker (which can be found online at www.marketmaker.uiuc.edu) as a state-level resource, but it is now a national partnership of land grant institutions and state departments of agriculture dedicated to the development of a comprehensive interactive database of food industry marketing and business data. It is currently one of the most extensive collections of searchable food industry-related data in the country (Figure 2 shows a sample mapping of markets in Iowa and Nebraska, created by MarketMaker). The promotional opportunities with MarketMaker are great, as it can help all types of buyers (consumers, restaurants, institutions) to find producers who sell direct, while also allowing producers to potentially network for distribution and sales. There are currently nine states online with MarketMaker and Colorado will be the first Western state to participate. Interested parties should contact their local state university or department of agriculture to see if their state is considering joining this partnership.

An existing resource available to all producers nationwide is LocalHarvest. Producers can be listed on LocalHarvest's website (www.localharvest.org) as a means of direct marketing their products. LocalHarvest was founded in 1998, and, according to the website, is both the number one informational resource for the "Buy Local" movement, and the top place on the Internet for people to find information on direct marketing family farms. LocalHarvest is primarily oriented towards direct-to-consumer sales, but as the site grows, buyers for restaurants and stores may begin using it. Currently, LocalHarvest has approximately 9,000 members, and estimates that they gain 8 new members every day. LocalHarvest estimates that through their servers, website, and partner websites, their website garners about 1.5 million page views per month from the public interested in buying food from family farms.

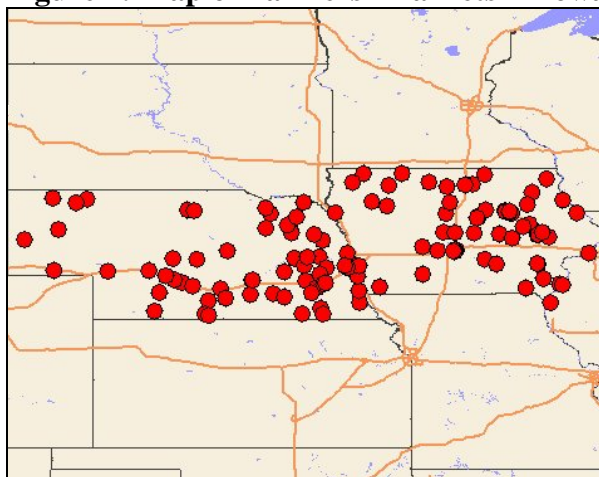


Figure 1: Example of State Resources from AgMRC

Colorado State Resources

- [Cooperative Colorado Research, Education & Extension Service Partners](#)
- [Colorado Department of Agriculture](#)
- [Colorado Fact Sheet, Economic Research Service, USDA](#) - This specific fact sheet includes current data on population, per-capita income, earnings per job, poverty rates, employment, unemployment, farm and farm-related jobs, farm characteristics, farm financial characteristics, top agricultural commodities, top export commodities and top counties in agricultural sales.
- [Colorado Farmers Markets](#)
- [Colorado Marketing Profile](#)
- [Colorado Small Business Development Center](#)
- [Colorado USDA Rural Development](#)
- **More Links:**
 - [Checklist for Start-up Food Processors](#), State of Colorado Department of Agriculture.
 - [Colorado Agricultural Statistics Service](#)
 - [Colorado Agritourism](#)
 - [Colorado Department of Agriculture, Markets Division](#): Helps to increase marketing and processing opportunities for Colorado's agricultural industry
 - [Colorado Extension Service County Offices](#)
 - [Colorado Farm Fresh Directory](#)
 - [Colorado Food and Agricultural Directory](#)
 - [Colorado Proud](#) - Helps producers and processors market their products.
 - [Consumer Protection Division](#), Colorado Department of Public Health and Environment.
 - [Publications & Business Development Tools](#): Farm Fresh Directory, Hay Directory, Checklist for Start-Up Food Processors, etc.

Figure 2: Map of Farmers' Markets in Iowa and Nebraska from MarketMaker



Government Marketing Programs, Grants and Resources

The United States Department of Agriculture (USDA) offers important agricultural marketing information, programs and grants. A summary listing includes:

- Value Added Product Development Grants
 - Administered through Rural Development at USDA and targeted towards value-added product and marketing activities by producers (feasibility and working capital grants)
 - Working Capital grants can underwrite an enterprise's initial marketing and promotion activities
 - Online at www.rurdev.usda.gov
- Federal State Marketing Improvement Program
 - Administered through state level Departments of Agriculture
 - Market research and exploring new methods of marketing
 - Great way to do analysis on the effectiveness of different promotional methods, but would want to show the broader applicability to the state's agriculture sector
 - Online at www.ams.usda.gov, under "Wholesale and Farmers' Markets"
- Sustainable Agriculture Research and Education Program
 - Regional, so Western proposals managed in region
 - Several categories of grant programs
 - Producer grants could be used to explore promotional options for targeted niche and alternative markets
 - Research and education can be performed if the venture partners with universities or other technical assistance organizations
 - Online at www.sare.org
- Other competitive programs from USDA
 - Community Food Projects
 - See the Hunger & Food Security Program under "Food, Nutrition, & Health" at www.csrees.usda.gov
 - Small Business Innovation Research-Markets and Trade
 - See www.csrees.usda.gov/funding/sbir/sbir for funding opportunities

Conclusions

Understanding the venture's promotional goals is the first step in deciding which tools will work most effectively. This fact sheet presents examples of how niche agricultural firms wanting to target their message to customers can forego advertising and broadcast media for more targeted and personal methods. If firms research the lower-cost public resources for promoting the product and business, including state and regional directories or online databases, they might accomplish their marketing goals and stay within a reasonable marketing budget.

References

Thilmany, D., J. Keeling-Bond, C. Bond, C. Stushnoff, F. Stonaker, P. Kendall and M. Bunning (2007). "Eat Your Fruits and Veggies: Exploring Fresh Produce Market Choices." *Journal of Food Distribution Research* 38(1):154-160.

