

**SALES, SALES SERVICE and
PROMOTION for SUCCESSFUL
AGRICULTURAL VENTURES**



**Sponsored by:
The Center for Agriculture Development and
Entrepreneurship
250 Main St.
Oneonta, NY 13820
607-431-6034**

Winter 2003

Table of Contents

SESSION I. SALES	1
PROCESS	1
IDENTIFYING CUSTOMERS AND OR END USERS	1
DEFINITION OF A DISTRIBUTION CHANNEL	1
CHOOSING A DISTRIBUTION CHANNEL FOR YOUR PRODUCT	2
DEFINITION OF INTERMEDIARIES	2
SETTING UP YOUR SALES FORCE.....	3
<i>Salesperson Compensation</i>	3
<i>Creating Territories</i>	3
<i>The Selling Process</i>	4
SESSION II. SALES SERVICE	6
SETTING-UP A SALES SERVICE DEPARTMENT	6
<i>Components of the Sales Service Chain</i>	6
<i>Qualities of a Sales Service Rep</i>	6
<i>Typical Sales Service Problems</i>	7
<i>Relationship of Distribution Channel to Sales Service</i>	7
SESSION III. PROMOTION	8
WHAT IS PROMOTION?	8
GETTING STARTED WITH YOUR PROMOTION CAMPAIGN	8
<i>Brand Identity</i>	8
<i>Design Basics</i>	8
PROMOTION IS INTERACTIVE	9
<i>Direct Selling</i>	9
PROMOTION IS NEWS.....	9
<i>Press Release Basics</i>	9
<i>Guidelines For Writing And</i>	9
<i>Distributing Press Releases</i>	9
PROMOTION IS EXCITEMENT	10
<i>Special Events</i>	10
<i>Sponsorship</i>	10
PROMOTION IS PARTNERSHIP	10
<i>Cross Promotion</i>	10
PROMOTION IS ADVERTISING	11
<i>Radio</i>	11
<i>Print</i>	11
<i>Television</i>	12
<i>Advertising Costs</i>	12
PROMOTION IS OPPORTUNITY	12
<i>Be Creative</i>	12
<i>Exploit Your Talents</i>	12
<i>Pace Yourself</i>	13
<i>Invest In Your Success</i>	13
BUILDING A WEBSITE	13
ARE YOUR PROMOTIONAL STRATEGIES WORKING?.....	13
GENERAL REFERENCES.....	14

PLANNING YOUR SUCCESSFUL AGRICULTURAL VENTURE

The Center for Agricultural Development and Entrepreneurship



Session I. Sales

Process

- Identifying Customers and or End Users
- Choosing a Distribution Channel
- Forecasting Sales Volumes
- Selling Your Product
- Sales Personnel Compensation
- Managing Sales Persons
- Sales Service

Identifying Customers and or End Users

To further clarify who uses your product this guide will use the following definitions:

End User - The final consumer of your product.

Customer -

- 1) The person who buys your product or,
- 2) The person who uses your product

It is important to match the attributes of your product and brand to the need and beliefs of the end-user. However, if you sell to a retail store or other intermediary, you must remember that the intermediary, you customer, will be looking for different attributes than your end-user who is the intermediary's customer.

Product Attributes to Consider in Sales Function:

- Quality
- Safety
- Healthiness
- Packaging
- Brand Characteristics
- Shelf Life
- Order Size in Units
- Price
- Discounts
- Potential Number of Customers
- Geography of Customers

- Generating Awareness for Customers/End-Users

Definition of a Distribution Channel

A distribution channel is the various institutions and relationships involved in moving products from producers to consumers.

There are several traditional distribution channels that the entrepreneur must consider for their product.

1. Producer ? Consumer
2. Producer ? Retailer ? Consumer
3. Producer ? Wholesaler ? Retailer ? Consumer
4. Producer ? Broker/Agent ? Wholesaler ? Retailer ? Consumer

Small, start-up businesses frequently use the first channel for the following reasons:

- They typically are selling smaller volume, high value niche products where customers require quality and service
- The first channel is generally lowest in sales and marketing cost
- The first channel is the simplest to implement

Some common examples for agricultural products include: farmers markets, regional markets, buying clubs, and community supported agricultural groups.

As your markets grow and you find that your production is demanding more time, directly selling to consumers will become less efficient. Now you must decide on what channel is the most appropriate for you product.

PLANNING YOUR SUCCESSFUL AGRICULTURAL VENTURE

The Center for Agricultural Development and Entrepreneurship



Choosing a Distribution Channel for Your Product

Remember! There are a lot of variables to consider when choosing a distribution channel.

1. The form of your product. E.g. perishable, frozen, bulk, etc...
2. Packaging required
3. Potential for branding product
4. Gross margins and potential profits. Can you give up 50% of the margin to move your product through the distribution channel and will the product be priced effectively?
5. Does the channel support the consumer buying patterns?
6. Will the channel support the promotion of your product?
7. Do you have enough working capital to handle delays in payments?
8. The amount of service required by the end users of your product
9. What kind of marketing effort needs to be expended to sell your product to the end-user?
10. Are there enough incentives to motivate your resellers?
11. Will you give exclusive contracts to sell your items?
12. Do your retailers have the resources to properly merchandise your product?
13. Will the channel reach your end-user?
14. How much inventory can you carry?
15. If you use multiple channels will there be overlap and confusion?
16. How much time can you commit?

Definition of Intermediaries

Broker

Does not physically handle goods. Arranges sale and occasionally shipment of product between sellers and buyers. The broker usually specializes in a few specialty items and uses samples to facilitate sales.

Brokers are generally used for one-time types of sales and are typically used for seasonal/specialty products that do not need a constant distribution channel. They also have limited authority to set the conditions of the sale.

Independent Agent (Manufacturers Representative)

Independent agents develop a more permanent distribution channel and will market your product in the channel. They charge a fee for the service. Independent agents are a viable alternative for producers who cannot afford a sales force.

The entrepreneur needs to consider the following when choosing an agent:

- 1) What is the total cost of having you own sales force versus hiring an agent?
- 2) Can you provide adequate marketing support for the agent?
- 3) Can you manage/control the agent to your specifications?
- 4) Can you create territories that enhance selling?
- 5) What is the level of service demanded by customer? "Inside sales" tends to be more service oriented.
- 6) Is product knowledge more important than buyer knowledge?

Wholesaler

The wholesaler takes physical possession of the product. Merchant wholesalers take legal title of the product and agent wholesalers just take possession. A wholesaler has to have storage for inventory, a sales force, sales service, a method of distribution, and marketing support for the product.

The producer of the product has little control of what the wholesaler will do with the product once it has possession. Wholesalers are better suited to uniform, less specialized products.

PLANNING YOUR SUCCESSFUL AGRICULTURAL VENTURE

The Center for Agricultural Development and Entrepreneurship



Retailer

A retailer sells the product directly to the end-user. There are several types of food retailers including: Independent Grocers, Grocery Chains, Specialty Food Stores, Natural Food Stores, Discount Food Stores, Convenience Stores, Produce Stores, Mail Order, etc....

Each type of retailer will have a different type of distribution channel depending on the types of products and the volumes sold. Many retailers lack the knowledge needed to merchandise your product. You may have to provide items such as informational brochures, product sampling on-site, or point of sales displays depicting the story and attributes of your product.

Setting up Your Sales Force

Remember! Hiring a sales person can be very expensive for a start-up business. The product must generate enough sales and gross margin (Total Sales-Production Costs) to cover your overhead expenses and payroll expenses.

Hiring a person with the expectation that they will generate enough sales to pay for themselves can be dangerous.

Costs to be considered when hiring a salesperson include salary, bonus, payroll taxes, benefits, travel expenses, car, office expenses, etc...

Salesperson Compensation

How you pay your salesperson can have a dramatic effect on both your business and the motivation of the salesperson to sell your product.

Types of Compensation

Straight Salary

The salesperson receives the same paycheck regardless of the amount of sales generated.

Salary plus Bonus

Salesperson receives a salary and an incentive bonus at a prescribed time. Creates incentives but salesperson may tend to work toward the item that will generate the bonus rather than their full responsibilities.

Salary plus Commission

Similar to salary plus bonus but now salesperson has a consistent goal rather than a periodic one. Also tends to smooth out flow of compensation for salesperson reducing fluctuations in cash flow.

Straight Commission

Highest risk reward situation for salesperson. Business can structure commissions to boost sales of certain lines of products.

Most businesses use either salary plus bonus or salary plus commission. In many cases salespersons will accept reduced salaries if the commissions are lucrative enough.

It is important to include some incentive to encourage sales growth.

Creating Territories

Sales territories must fit your distribution channels and be readily serviced by your sales force. Territories improve the ability to manage your reps and give the reps more responsibility.

Territories can be divided by product, types of customers, distribution channel, geography etc... Sales reps on commission need to have an idea of what the potential or actual sales for a territory is. A territory solely based on prospects will eventually erode motivation for salespersons who like to close deals.

It is important to make sure that your territories fairly represent the potential sales of your

PLANNING YOUR SUCCESSFUL AGRICULTURAL VENTURE

The Center for Agricultural Development and Entrepreneurship



product(s) and provide enough motivation for your reps. Avoid overlapping territories or multiple sales reps calling on individual customers particularly if the average volume (value) per sales is low.

The Selling Process

Estimating the Market

While it is the responsibility of the person(s) in charge of marketing to provide research on the size of your market, sales persons can be an invaluable resource in determining the amount of purchases your current and prospective customers are intending to make in the following year.

This sales forecast is an important component of operational planning for the following year and also provides management and the rep with a clearer idea of what customers are looking for.

Unfortunately, reps tend to disdain the process of providing a sales forecast. The process should be standardized with management support to facilitate the gathering of information. Knowledge of the future can be dangerous to a rep if sales volumes are shrinking and management begins to see it through the forecast. The reps need to be assured that they will not be evaluated on the forecast, and that the forecast is a planning tool.

Setting Sales Goals

Based on the product lines you intend to offer, target markets, size of market, market penetration (how much do you think you can get), and sales forecast, you can begin to set sales goals for the upcoming year.

Sales goals should be achievable but not so easy that the rep loses focus. The manager should periodically review the rep's progress towards these goals and make any adjustment based on changing market conditions. Goals should be measurable and consistent for all your reps

selling the same product lines. For example if you have a commission incentive to sell a certain product, all reps selling the product should be able to participate.

Prospecting

Prospecting is the process of identifying and communicating with potential customers. Regular customers can also be prospects for new products and frequently are an excellent source of new product sales.

New businesses will compile lists of prospective customers that fit the marketing characteristics most likely to result in a sale. Many times reps will have to "cold call" (i.e. call without prior introduction) prospects. It is important that reps do not become a nuisance by calling on a prospect too often.

Existing customer networks can provide new prospects and occasionally an introduction. An introduction from a known business associate can improve the chances for a sale.

The first contact with a prospect is very important. It should acknowledge the customer's needs and relate to them that they are a top priority.

Call Frequency

The number of time a rep calls on prospective and regular customers must also be determined. Certain customers need little attention while other may put demands on the rep that appear excessive.

It is important to know how many times may be needed to close a deal or maintain a customer.

Samples

Selling new food products almost always depends on being able to offer prospects samples of the product. The samples must portray the product as it will be sold to the customer

PLANNING YOUR SUCCESSFUL AGRICULTURAL VENTURE

The Center for Agricultural Development and Entrepreneurship



including size, packaging, taste, smell, color, feel, etc...

Niche food businesses depend on tastings/samples to entice customers and end-users to purchase.

Many niche food product end-users also enjoy having a connection with the farmer.

Farmers/producers cooking/providing samples is an excellent method to further reinforce the end-user experience with buying farm products.

Support Materials

Any sales call must be accompanied by sales support materials such as brochures, samples, price lists, incentives, etc...

It is very important that the customer be left with product documentation (image and technical) for further reference and contact information.

Sales Call

Sales reps must be neat and dressed in a fashion that conveys the image of the product. The rep must be willing to address the customer's desires without demanding an unreasonable concession from them.

Reps should expect objections such as "the product price is much more than I am willing to pay". These statements are usually a sign of progress. In this case the customer has shown an interest and maybe would purchase if price were not a factor. The rep can counter this by identifying the added features of the product as the reason why it is more expensive.

Generally niche food products will be significantly more expensive. The rep must focus on attributes such as quality, health, safety, and taste to justify the price differential.

The sales call must always focus on the positive. The customer's attention should be redirected to the positive benefits of your product.

Important:

Sales persons need to limit the number of choices (less than three) to avoid customer confusion and indecision.

Closing a Sale

A sales is considered closed when the customer has 1) contracted with you for the purchase of the product with a purchase order or 2) actually purchased the product. Occasionally customers will give a verbal purchase order. It is important to provide the customer with a copy of this order as soon as possible to confirm the sale.

Discussion Example

You have developed a pastured meat sausage that based on your production cost must be wholesaled priced at a 25% premium to other sausage products on the market.

Your marketing research has shown that per capita consumption of all sausage in your market is two lbs. per year and there are 1,000,000 residents.

Your production capacity is 20,000 lbs. of sausage per year.

You currently do not sell any other related products in the market and have no experience in what distribution channels are available.

- 1) What additional information is needed and what distribution channel would you choose for this product?
- 2) Describe how you sell the product.

PLANNING YOUR SUCCESSFUL AGRICULTURAL VENTURE

The Center for Agricultural Development and Entrepreneurship



Session II. Sales Service

"The Customer is Always Right"

Sales service activities include:

- Supporting sales by providing pricing and availability information
- Arranging for production
- Coordinating warehousing and shipping
- Billing
- Customer follow-up
- Technical service (for niche products this includes telling the story of the product)
- Servicing unfulfilled orders
- Investigating and mitigating quality problems
- Handling claims

Poor sales service can result in:

- Loss of sales
- Loss of customers
- Lack of feedback on product performance
- Ineffective sales calls
- Inability to close sales
- Production problems
- Loss of profits

Small niche producers often do not understand the importance of sales service. They also may lack the resources necessary to operate a separate sales service function.

Setting-Up a Sales Service Department

No matter how small your company is this can be achieved by understanding the entire chain of activities related to initiating a sales call to delivering the product to following-up with customers to make sure they are satisfied.

Components of the Sales Service Chain

- 1) Supporting sales reps in prospecting and making sales calls.

- 2) Providing pre-order information such product pricing, availability, quantities, lead times.
- 3) Provide prototypes and samples in support of sales effort.
- 4) At placement of order determining the exact specifications of the order in terms of production and delivery dates, confirmed pricing, and any other attribute of the order.
- 5) Provision of technical production data when required.

Generally to this point the information is given to the sales rep and they are responsible for communicating with the customer. From heretofore, however, the customer will most likely communicate directly with the sales service representative. This is a guideline and will not apply in all cases.

- 6) Updating customer on delivery dates.
- 7) Arrangement of delivery including shipping specifications such as pallet size, trucking information, shipping company, etc...
- 8) Handling quality related issues after delivery of product.

The amount of direct customer contact necessitates the sales service reps have the following qualities:

Qualities of a Sales Service Rep

- They must be personable
- They must be detail oriented
- They must be able to solve problems
- They must be able to handle difficult situations
- They must be able to multitask (i.e. handle more than one order/problem at a time)
- They also must have excellent product knowledge

Sales service is almost always a salaried position. Some businesses like to have their reps perform "inside sales" that is selling product to customers directly calling the business and bypassing the assigned sales rep for that region.

PLANNING YOUR SUCCESSFUL AGRICULTURAL VENTURE

The Center for Agricultural Development and Entrepreneurship



Sales service rep generally dislike selling and feel as if they are doing someone else's job especially if the sales rep gets a commission for the sales they did not close.

Typical Sales Service Problems

- 1) I hate my sales rep but the person at the company is great. She always knows what is going on!

Occasionally, customers dislike their assigned rep and call the business directly to place orders. Management must find out why this is happening and make adjustments when needed.

- 2) That sales rep is a real jerk. I'm not telling him that the product won't be available for two weeks.

Sales service reps have a lot of power. Good relations are a must between sales and sales service.

- 3) Nobody ever picks up the phone at my supplier.

Loss of contact is often fatal to keeping a customer. Your best customers are repeat buyers. Don't lose them because someone can't answer the phone or can't return a call promptly.

- 4) I didn't receive my full order or I didn't get what I ordered.

Sales service is all about knowing what will happen with each sale. "No mystery" is critical for success. If the customer is aware of potential shortages they will not hold you accountable after the sale.

Small, high value added niche food products typically require a high level of sales service. Your customers demand this service as part of the value of the product.

Relationship of Distribution Channel to Sales Service

Each distribution channel has different people typically providing sales service.

Direct to End User - Includes farmers markets and off the farm sales. The farmer (or staff member) is both the sales rep and the sales service rep.

Direct to Customer (e.g. specialty retailer, restaurant) - The farmer/business owner or staff member is the sales rep. The retailer will demand varying levels of sales service from the farm depending on end users and product complexity. Generally sales service is only related to getting the product to the shelves at the store and not based on end user demand.

Selling Through Brokers - The farmer/business retains a broker to sell the product but continues to provide sales service to customers and end users. This pull through strategy can be an efficient means for semi-direct selling when you lack capital.

Selling Using an Independent Agent - The farmer/business will contract with the agent or provide sales service function to customers and end users.

Selling Through Wholesalers - The farmer/business sells to the wholesaler who in turn provides sales and sales service to the customers and end users. Farms/businesses can contract with wholesaler to participate in sales service. You receive a lower margin for your product but have the potential to sell more volume.

The entrepreneur must assign someone to the sales service function to eliminate duplication of effort and clearly define the roles of each person involved in selling the product.

PLANNING YOUR SUCCESSFUL AGRICULTURAL VENTURE

The Center for Agricultural Development and Entrepreneurship



Session III. Promotion

What Is Promotion?

Promotion is what you do to make your business and your product line visible and desirable to consumers. Promotion is a low cost and effective way to establish your product in an existing market or enter into new markets.

In larger businesses promotion is used to introduce new product lines and to entice consumers to buy a product. Once the line is established, the business will continue to advertise it to keep the product visible and may offer special discounts to give the product a competitive edge. However, small farm related ventures are ALWAYS introducing their product or product line to potential customers. Therefore, special consideration must be given to promotion as a way to entice people to change buying habits and become loyal customers.

Fortunately, farm related businesses have the best of all worlds when it comes to promotion! There is great public interest in farming which generates publicity. Consumers typically have pleasant images of family farms such as green hills and red barns. Public and private money is available to support everything from advertising and festivals to tourism initiatives and educational programming. Additionally, farms will often receive non-profit and special rates for advertising.

Getting Started with Your Promotion Campaign

Promotion is Constant & Consistent

Brand Identity

Your brand identity is derived from the visual and written materials that represent your product and business. Those materials should provide a consistent message to your customers about your

product and business and **DISTINGUISH** you from other similar products and businesses.

Promoting your product is vital in creating a brand identity that induces customers to buy and repurchase your product.

Design Basics

Your products will be introduced to consumers through your business name, logo and package design and its merchandising. There are literally thousands of product choices facing consumers – time and consideration **MUST** be given to the presentation of your product.

An imaginative logo design, an original name and innovative merchandising will generate new sales. Be willing to spend time and money on this critical aspect of your business. Seek feedback from people who will be honest or get someone else to seek the feedback for you.

Your designs and messages should be consistent throughout all your visual and written materials to establish and reinforce your product attributes and image.

(Note: Consumers will provide negative feedback and suggestions on product content: “That cut of beef was really tough this time!” “I think you’re charging too much for your tomatoes.” However, consumers will shy away from criticizing logo designs and artwork – instead offering positive feedback when you’re on the right track: “What a great idea!” “I love your sign! Who designed it?” “I saw your ad in the paper today and we decided to drive out here.” **Silence is a sign that you should revisit your visual presentation.**)

Always ask to see a designer’s portfolio and for a list of references. Don’t be intimidated! Always ask for clarification if you don’t understand what a designer is talking about. They should be able to relate their concepts and the design process in a way you can understand. They should also take

PLANNING YOUR SUCCESSFUL AGRICULTURAL VENTURE

The Center for Agricultural Development and Entrepreneurship



the time to listen to your ideas, questions and develop an understanding of your business.

The cost for design and production for business materials will vary depending upon the sophistication of materials, the experience of a designer, and the size and scope of a printing facility. Take time to look at the designs and materials of businesses that you admire and ask them for recommendations. Don't rush into a relationship with a designer or printer. Shop around and familiarize yourself with what is available.

Promotion Is Interactive

Direct Selling

Direct selling occurs when the producer sells their product or service directly to the consumer or end-user.

In a direct sales environment, such as an on-the-farm-store, farmers' markets and CSA's – sales, customer service and promotion intermingle. Promotion involves meeting your customers, explaining and demonstrating your products and receiving their feedback and ideas for new products.

Think of the direct sales environment as a dynamic, interactive advertisement. Use promotion to distinguish yourself from the competition. Tastings, demonstrations, samplings and special activities are all opportunities to make your products come alive.

Simple ideas that have a big impact:

- Grill or stew vegetables and meat for customers to taste
- Make unique cold dishes for tastings
- Provide recipes featuring items in the store or at the market
- Provide free classes and demonstrations to potential customers
- Give free samples of new products (or extra product)

- Raffle-off gift baskets
- Have customers sign a guest-book providing mail and email addresses to receive promotions
- Display product with signage and prices that are attractive and easy to read
- Display your business name wherever possible
- Make sure your product presentation is clean and attractive
- Make your store or booth child friendly (activities, play areas, kid-friendly food samples)

Direct selling requires a time commitment on your part – particularly at a farmers' market. As your business grows it may make sense to pay someone to represent and sell your product for you. However, for a start-up or smaller business, time spent with customers can be invaluable.

Promotion Is News

Press Release Basics

Ag-related businesses and farms are considered newsworthy by print, radio and television outlets. Even things that you take for granted as part of your farming venture are interesting to the general public.

Reporters and editors are very approachable and receptive. Call them and introduce yourself. Send out press releases to announce sales successes, special events, new products and partnerships with other businesses. (Hint: January and February are SLOW news months and reporters are desperate for local interest and news stories!)

Guidelines For Writing And Distributing Press Releases

- Stick to one page
- Use a memorandum format, addressing the press release to a specific contact

PLANNING YOUR SUCCESSFUL AGRICULTURAL VENTURE

The Center for Agricultural Development and Entrepreneurship



- Include contact information with a phone number and name
- Include more than one contact source and phone number – make it easy for the reporter to find interviews and quotes
- Stick to the facts – make it easy to read
- Give the release a catchy title and opening line – make it fun to read
- The most important facts should be included in the beginning of the press release
- If possible, include a photograph with the release
- If you're emailing a release, include the text in the body of the email – not as an attachment

If you don't hear from a reporter or editor, CALL them to follow up: "I was just checking to make sure you received my press release."

Promotion Is Excitement

Whether your products are available on-the-farm, at farmers' markets or through retail outlets, the impact of special events is the same – they generate consumer traffic and interest, inspire sales and very often create new loyal customers.

Special Events

Open-houses and farm-tours can be as simple as a reception under a canopy on your front lawn, with a tasting or sampling of foods from your farm. A farm-tour is an opportunity for you to promote your products by talking to people about what you do and what you know. Consider open-houses and farm-tours by invitation to local chefs, restaurant owners, culinary schools, merchants, proprietors of specialty markets, local civic groups and chambers of commerce.

Festivals often capitalize on the seasonality of farm products and attract families. The best way to organize a festival is to choose music, events, games and promotions that help create a theme which in turn encourages sales. Target long

weekends and lesser holidays – when people are looking for fun, family oriented activities. Solicit restaurant owners, culinary students, 4-H or gardening groups to partner with you in creating these special events.

If your products are available in retail outlets or at specialty markets, ask the store manager if you can create a special meet-the-farmer event with tastings and cooking demonstrations. Partner with the store to have the event included in their advertising.

Sponsorship

There are many businesses that depend upon the success of farmers. Approach them about sponsoring a special event through a cash contribution and in exchange, give them space at the event to promote their business or mission. The following organizations may be interested in contributing to your success:

- Local banks
- Lumber, tractor or farm supply companies
- Merchants' associations
- Chambers of commerce
- Small grants from community organizations
- Rural and historic preservation and environmental organizations

Promotion Is Partnership

Cross Promotion

Cross-promotion occurs when two or more businesses contribute time or product to each others' growth and success. Cross promotions do not have to be complicated or expensive and are very effective in building a public profile for your products and business.

Some ideas for cross promotion:

- Restaurants can include the names of farms on their menu while farm stores include promotional material for restaurants at their farm stores or farmers' market

PLANNING YOUR SUCCESSFUL AGRICULTURAL VENTURE

The Center for Agricultural Development and Entrepreneurship



- Wine and cheese tastings at farms or farm markets, featuring local wines and cheese
- Provide discount coupons or product samples for hotel and bed & breakfast rooms
- Put together a window display promoting your farm or farmers' market for a local business
- Invite chefs to prepare a dish at a farmers' market, using food from the market
- Merchants can donate coupons or gift certificates for gift basket raffles at farm markets
- Provide samples for intermission at a theatrical performance or at an art gallery opening
- Invite artists to spend the day painting, drawing and photographing your farm for a future exhibit
- Invite herbalists or naturopaths to talk about healing with herbs
- Have a landscaper or master gardener hold a gardening demonstration at your farm

Create cross promotion programming that is mutually beneficial, simple to execute and fun to do. Target a time when shopping traffic is heavier and decide on an end date for the promotion up front. Be specific with promotion partners about your responsibilities and expectations.

Promotion Is Advertising

But, advertising isn't always promotion. Make sure that the money you spend to advertise your business has the same effect as promotion. Build excitement, keep the message positive, focus on product attributes and use all advertising as an opportunity to educate and inform customers about why purchasing your product is the best choice they can make for themselves and their families.

Radio

Radio allows for conversation and explanation. Your reach may be limited, but it can be targeted demographically and your message will be

transmitted several times a day for several days. Radio sales people are often willing to negotiate prices and will offer farmers non-profit rates or additional spots. Also inquire about making guest appearances on radio shows to promote a special event or festival (especially if you're spending money to advertise). Live radio remotes can be expensive, but are guaranteed to bring new customers to your farmstand, store or market and include advertisements and DJ promotions leading up to the event.

Non-profit rates for local National Public Radio stations are very reasonable and you will often be able to choose the programming your ad accompanies.

Print

A newspaper ad reaches more people, with less frequency and can be costly over time. Often daily newspapers will have print specials with discounted rates for ads placed toward the end of the month – ask the sales representative. Display ads in smaller weekly publications (i.e. Pennysaver, Weekly Shopper) are very effective in generating shopping traffic and low cost. Always request proofs before printing and always tell the sales person where you want the ad to run in the newspaper (lifestyle, community, sports, etc.).

It often makes sense to buy a display ad in the playbill or seasonal program of a popular musical or artistic venue, especially if the target audience is also your consumer demographic. It creates an association in the mind of the consumer and gives them an impression of the quality of your product.

When designing display ads for your business, remember to consider the context in which your logo and ad will be displayed. A grocery store flyer is filled with ads with bold print and colors. Don't approve an ad with elegant, fine script even if it does better compliment your logo. If your display ad will appear in a program for a concert hall, don't design an ad with color bursts

PLANNING YOUR SUCCESSFUL AGRICULTURAL VENTURE

The Center for Agricultural Development and Entrepreneurship



and exclamation points – take a more refined approach.

Television

Television advertising can maximize your reach and frequency or allow you to target a very detailed population segment. The cost of traditional television advertising is typically beyond the budget of a small-scale or start-up farm business. However, the growth of cable television now allows smaller and local businesses to advertise on a variety of popular programming – especially in rural areas.

The cost for advertising through a cable provider will vary, depending upon which networks you place your ad, what time of day you run ads and how often your ads run. Make sure you ask your sales representative for demographic information on each network before you determine which stations you'll place ads. (Don't choose networks based just on your personal television viewing preferences!)

Another factor in determining cost is production. The production cost for a 30-second television spot in central New York can cost anywhere between \$250, with still photographs and voice-over to \$7,500, filmed and edited by a professional crew and advertising agency. When you consider your advertising budget, remember that the visual impact of a television ad is what differentiates television from radio and newsprint – so the quality of the filming and editing is important.

Before you purchase television time, consider where your target market is geographically located. You may want to advertise in your own cable market to help build your business profile and attract a local customer base, or you may want to reach out to seasonal visitors coming to your area for a day-trip or an extended stay. Ask your sales representative for information on the geographical reach for each cable provider.

Advertising Costs

Costs for newprint, radio and television will vary greatly from market to market. Call newspapers, radio stations and cable providers to request rate cards or a sales packet. If they provide you with a quote for a specific ad campaign – it will most always be more than what you want or need. Negotiate!

(Note: As effective as press releases can be, it is advisable to periodically purchase ads in your local newspaper or on your local radio stations. Eventually, news editors will resist coverage of events, seeing it as simply free advertising. When you begin to advertise, call the editor or reporter you work with and ask them for the name of a sales representative. When you purchase ads, confirm with the sales representative that you will also send a press release to the news department and ask if you can also make a special guest appearance if its radio.)

Promotion Is Opportunity

Be Creative

There is no one definitive way to promote your business. Successful entrepreneurs are attuned to their environment – assessing and reassessing marketing and sales opportunities. Determine what your strengths are, where your connections lie, and what your experiences you have that will support your best promotional strategies.

Exploit Your Talents

Do you have experience in teaching? Do you have connections in the tourism industry? Do you know musical performers or restaurant owners? Have you worked in radio or are you a strong writer? If you are uncomfortable in front of groups, don't agree to speak at a farming conference until you build your confidence. If you are a talented cook, organize tastings or a cooking demonstration. You'll focus on your business and forget to be nervous.

PLANNING YOUR SUCCESSFUL AGRICULTURAL VENTURE

The Center for Agricultural Development and Entrepreneurship



Pace Yourself

Try one promotion at a time. Determine what worked and what didn't. If an event is successful, repeat it annually. Turn it into something people look forward to. If it failed, grow it into something successful. The first-time event is the hardest to plan; each year it becomes easier and easier to organize. One very organized event is far more valuable than numerous smaller, disorganized attempts.

Invest In Your Success

Promotion, advertising and marketing tend to be the areas that entrepreneurs skimp on to minimize expenses. Avoid this mistake!

Hire experienced professionals to design logos, ads and websites. Increase your promotional efforts when facing a budget crunch – create a special event, conduct a tasting, issue press releases, rearrange your displays and merchandise – create a buzz!

Building a Website

If you decide that it makes sense for your business to host a website, keep the following in mind. A website is NOT advertising and promotion. It is a virtual destination and just like a store, outlet or market, you must attract customers to that destination through promotion and advertising. Once they arrive at your website, you can utilize it to further promote products – but don't count on your website to generate sales!

Remember the following:

- Your website, like logos and brochures, should be professionally designed and maintained
- A website should be a part of your comprehensive brand identity
- Make it educational and interesting, providing information about your farm and products

- Consistently respond to email questions and comments
- Link to related websites

When hiring a designer ask for references and to see a portfolio.

(Note: Don't be intimidated by the technical expertise of a web designer! Ask them to explain themselves in a way you can understand. Any designer who really knows what they are doing will be able to meet you at your skill level to discuss the project and make you feel comfortable. More often than not, you will have to ask numerous questions before you feel confident that you understand what you're purchasing, how it will work and what it will look like – this is perfectly normal and acceptable. If you are frustrated in your communication with a web designer, don't give up and hope for the best – find a new designer!)

Are Your Promotional Strategies Working?

The intent of promotion is to build your customer base and increase sales. Therefore, you must accurately track sales every day, to provide a baseline for measuring the success of promotion and advertising.

Because promotional events are most often designed to generate new customers through immediate traffic, you should be able to determine how effective you have been by the day's total sales. Remember to compare those sales numbers against a similar timeframe when your product mix is similar. In other words, compare sales from a special event in August with sales numbers from the previous August.

Advertising is meant to keep your business and product line in the public eye on a consistent basis and to support repeat business. The effectiveness of traditional advertising should be measured over the course of time and against the money spent on an advertising budget.

PLANNING YOUR SUCCESSFUL AGRICULTURAL VENTURE

The Center for Agricultural Development and Entrepreneurship



General References

The SBA (Small Business Administration)
www.sba.gov

County Economic Development Agencies

Chenango (607) 335-5532

Delaware (607) 746-2381

Otsego (607) 432-8871

Schoharie (518) 234-3751

New York State Department of Agriculture and
Markets (518) 457- 7076
www.agmks.state.ny.us

The Binghamton Small Business Development
Center (607) 777-4024

South Central New York Resource Conservation
and Development Project (RC&DNY) (607)
334-4715

Southern Tier East Regional Planning and
Development Board (607) 724-1327

Center for Agricultural Development and
Entrepreneurship (CADE) (607) 431-6034

The Watershed Agricultural Council (607) 865 -
7790

Cornell Cooperative Extension of Chenango
County (607) 334-5841

Cornell Cooperative Extension of Delaware
County (607) 865-6531

Cornell Cooperative Extension of Otsego
County (607) 547-2536

Cornell Cooperative Extension of Schoharie
County (607) 234-4303

Growing for Market website
<http://www.growingformarket.com/>