



Marketing Essentials

Introduction to Marketing



- Describe the link between marketing and business plans
- Provide marketing plan overview
- Identify 5 components of a marketing plan
- Hands on learning
- Practical tools
- Information sharing and networking



Welcome Activity- Top 3 Learning Needs

- Choose a candy bar from the bowl
- Match up with everyone else who has that same candy bar
- Within your group, determine the top 3 marketing learning needs
- Choose one person from each group to share the list

Linking to your business plan



A business plan demonstrates what your business is all about.

Linking to your business plan



A marketing plan demonstrates how the elements of marketing “fit” together and helps you complete detail for the business plan.

What is a marketing plan?

Five components of a marketing plan include:

- Product
- Positioning
- Place
- Price
- Promotion



Market Planning - Product

- Identify your product or service
- Describe the key features
- Describe the benefits





Facebook Example

Tangle Ridge Ranch September 27 ■

Our farm fresh, grass-fed, naturally raised lamb is ready! Place your order today at <http://tangleridgeranch.ca/our-products>



Our Products | Tangle Ridge Ranch

There is something special to be said about eating seasonally. The best foods take time, and are harvested at the right season. While we take orders year round,...

TANGLERIDGERANCH.CA



Features verses Benefit

Features –

characteristic that automatically comes with the product. Such as flavour, color, size

Benefits –

what the customer will gain by using the product or service. Such as health, convenience, nutrition



What's in it makes it *delicious*... what's not in it makes it *amazing*!

Market Planning - Positioning





Before You Can Build a Value Proposition...

- You must be able to identify and/or articulate specific elements of your offer relative to the marketplace, namely:
 - **Targeted Customer Segments** – Customers within a specific demographic or social group that will benefit from your offer
 - **Competitive Analysis** – Knowledge of competing offers; their strengths/weaknesses
 - **Differentiation** – Understanding of how your offer differs from your competition (in the minds of your customers)
 - **Competitive Advantage** – Demonstrable value your offer gives those targeted clients relative to the competition



- What is the right product for the market and how can you test to validate that there is a market opportunity?

Sources of market information

- Visit local supermarkets
- Visit the local farmers market
- Visit local restaurants and check the menus
- Seek feedback from current customers
- Alberta Agriculture customer trends reports
- On-line searches
- Social media
- Surveys and Focus Groups



Market Research - Exercise

Market research involves seeking out information and asking the following questions about the customer?

- Who will use, who is buying or who will buy your product?
- Do these customer share common characteristics? Age, income, background, etc.
- What does the customer like?
- Where do they come from?
- Who is my competition?
- Are there similar products or services to yours in the market?

A Value Proposition Is...

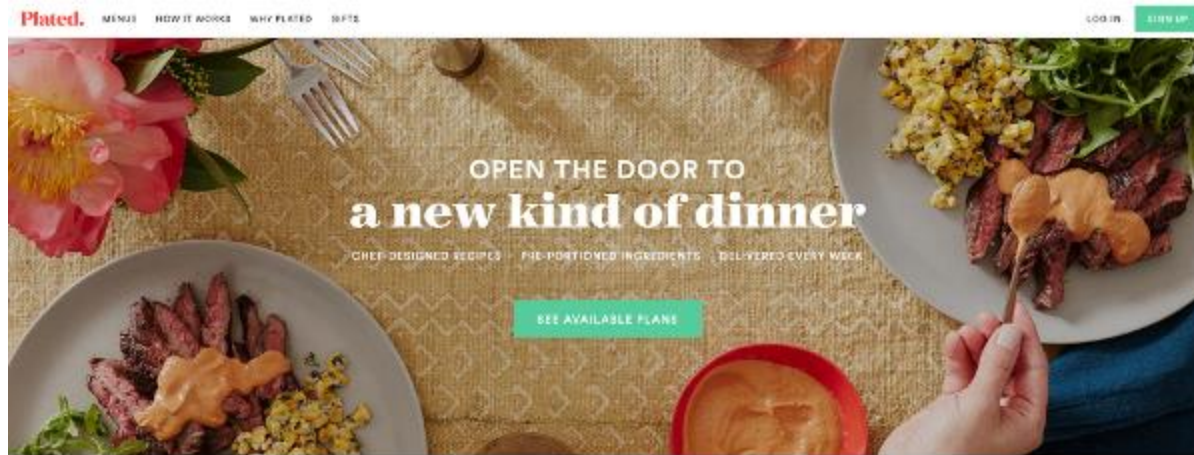
A statement that clearly communicates to your customers how you will consistently deliver value to their business. It is a description of...

- The value you will provide customers
- The form the value will take (Ex: quality, ease of use, cost)
- How your solution is a better alternative to the competition

Example of a value proposition



Example of a value proposition





Example: Kitchen Partners

We don't sell products—we solve problems.
Restaurants and food retailers across Canada trust us as their partners.
Let us be yours.



<http://kitchenpartners.com/#>



Create Your Positioning Statement

- Use the template provided to develop a positioning statement for your product or service.



Describe how your product will get to the customer.

- Selling direct
- Selling wholesale
- Selling retail



Direct to Consumer Marketing Channels

- Farmers' market
- On-farm retail (U-pick, farm store)
- Community supported agriculture (CSA)
- Direct to restaurants/institutions
- On-line sales
- Food hubs

Choosing a distribution channel:

- Where is the customer most likely to purchase product
- Production capabilities
- Storage, handling and preparation required
- Labeling and packaging
- Regulations (provincial vs federal inspection)
- Costs (promotion, brokerage fees)
- Pricing



Marketing Plan - Place

- Use the attached template to explore the best distribution channels for your product

An effective pricing strategy:

- Value
- Cost of production
- Competitors price
- Demand

How To  **PRICE IT RIGHT!**

Profit is the difference between income (revenues) and costs (expenses)

$$\text{revenue} - \text{expenses} = \text{profit}$$

Cost of Production On-Line Tool:

<http://www.agric.gov.ab.ca/business/dev/story.html>

3 Pricing Strategies

- Cost based pricing
- Competition based pricing
- Customer based pricing

Cost Based Pricing

Your price will be the cost plus some percentage
Set to meet specific profit goals

Advantages

- relatively easy to calculate
- easy to apply to multiple products

Disadvantages

- doesn't consider how customer demand affects price
- competition is not considered

What would your cost based price be?

Competition based pricing

Your price covers your costs and is comparable to the competitors price

You can price the same, higher or lower

Advantages

- industry focused and how you compare
- can charge a higher price if you can show uniqueness or innovative quality

Disadvantages

- can sacrifice profit by lowering price to meet competition
- market research is the key to success
- can be mimicked, downward spiral

Who is your competition ?

What are they charging ?

Customer based pricing

Price is based on customer “demand” or need (health, convenience)

Focus is on your target customer

Prestige pricing reflecting product image

Advantages

- customer focused
- price benefits of prestige pricing

Disadvantages

- ignores production costs
- competition not considered

What things will you consider? The value to your customer can be the quality, or service received with it, the image it reflects...

Marketing Plan - Pricing Tools

Pricing Your Product On-line Tool:



Marketing Plan - Price

- Review the information provided on pricing and then use it to complete the exercise to explore pricing options for your product or service.

Marketing Plan - Promotion



The Marketing Plan – Communication Mix



Guest





Additional Resources

Explore Local www.explorelocal.ca

Biz Info – Starting and Growing a Business – [Biz Info](#)

Identify Your Market: Right Buyer, Right Price [Ag Dex 848-5](#)

Market Research for your agriculture product/service [Video](#)

Pricing Your Agricultural Product [Video 2](#)

<https://www.bdc.ca/en/articles-tools/entrepreneur-toolkit/templates-business-guides/pages/marketing-plan-template-thankyou.aspx>