MARKETING PRINCIPLES FOR AGRICULTURAL PRODUCERS

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Outline

- Introduction to Marketing
- E-Marketing
- MarketMaker®
What’s Marketing?

- Marketing encompass all activities and efforts conducted to understand your customers' needs and to develop a business plan based on those needs.
Who is your customer?

- Individuals consumers
- Institutions and organizations:
  - Retailers, wholesalers, schools, etc.
Target Market

- **Target customers** are those who are most likely to buy from you.
  - Reduced group of customers
  - Limited marketing resources
  - Better target = less efforts wasted
Knowing your Customers

- **Primary data:** Collected by you
  - Surveys
    - Consumers preferences

- **Secondary data:** Collected by someone else
  - Publically available data
  - Census data
    - Location
    - Age
    - Income level
    - Gender
    - Market size
Marketing Mix – Four P’s

- Four key factors that influence purchasing decisions:
  - Product
  - Price
  - Place
  - Promotion
Four P’s: **Product**

- **What are you going to sell?**
- Tailor your product to meet your customers’ needs.
  - Conventional or organic
  - Locally grown products
  - Fresh products
Four P’s: Price

- How much can you charge for your product?
  - Production cost
  - Customers’ willingness to pay
  - Competition price
- Breakeven price
- Profit margins
Four P's: **Place**

- **Where will your customers buy your product?**
  - **Direct sales:**
    - Community Supported Agriculture (CSA)
    - Farmer’s Markets
    - Pick your own
  - **Indirect sales:**
    - Grocery stores, retailers, wholesalers, etc
Four P’s: Promotion

- How will your customers find out about your product?
  - Traditional advertising: Newspaper, TV, Radio
  - Producers organizations
  - Word-of-Mouth
  - Electronic Marketing: Internet, social media, farm website
Electronic Marketing

- **e-Marketing** is the marketing of products and services using the Internet.

- e-Marketing includes the use of:
  - Websites
  - Social Media
  - Emails
Why Using the Internet?

- Access to a vast number of potential customers
- Two way interaction tool with almost immediate feedback
- "digital" word of mouth
- Low cost
Internet Users

Internet Users in the World

Source: Internet Live Stats
Internet Adoption Among Americans

% of all American adults who use the internet

Farm Computer and Internet Usage

Source: USDA-NASS, 2015
Texas Market Maker™
Linking Agricultural Markets

http://tx.foodmarketmaker.com
Texas MarketMaker can help you look for new opportunities to grow your business or enter new markets.

Texas MarketMaker is a free, web based resource used by thousands of food producers, restaurants, wholesalers, retailers, and consumers to find where Texas food producers and suppliers are located, as well as where Texas food is sold and consumed.

http://tx.foodmarketmaker.com
Texas MarketMaker is easy to use:

- **Register your business** so customers and suppliers can find you and make contact.

- **Customers can search for your products** by attributes such as species, market form, package type and size availability.

- **Research Texas** demographic and business data to find potential markets for your products.

- **Find grocery stores, restaurants, institutions, and niche market for your products.**

- **Map your search results** to find the closest customers.
Texas MarketMaker is easy to use:

- **Advertise your business or products for free** using the Business Spotlight and Taste of Texas.

- **Post free, unlimited, ads to sell your products and view items** on the MarketPlace Buy & Sell Forum.

- **Be part and gain access** to a growing national network of food producers and food lovers which includes 20 states.
FOOD INDUSTRY “MATCH MAKER”

2015:

• Average 1.2 million Website Hits nation wide per month

• More than 104 thousand registered business in Texas including agritourism, buyers, restaurants, farmers and ranchers, farmers markets, fisheries, food retailers, processors, wholesalers, and wineries.

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Texas MarketMaker™
Linking Agricultural Markets

Producers

Number of Users

- Farmer/Rancher: 455
- Farmers Market: 217
- Fishery: 84
- Food Bank: 1
- Tourism: 867
- Winery: 50

Buyers

Number of Users

- Eating Places: 63,104
- Food Retailer: 31,181
- Processor/Packing Shed: 4,740
- Wholesaler: 3,503
# Monthly Newsletters for Subscribers

## Marketmaker Newsletters

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## In this Issue:

- MarketMaker Welcomes Texas!
- Cornell Connects Farmer and Faith Based Organization
- Tour MarketMaker with AgMRC's New Videos
- Social Media & Mobile Technology Webinars in January
- In Every Issue: Buy & Sell Forum

**Participating States:**

- Texas
- Nebraska
- California
- Washington
- Oregon

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Connecting willing markets and quality sources of food from farm and fisheries to fork  
www.foodmarketmaker.com

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MarketMaker Welcomes Texas!

National Food MarketMaker is excited to welcome Texas to their growing online network of states. The state went live on Wednesday, December 14. MarketMaker now includes 18 states plus the District of Columbia.

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Texas MarketMaker team member, Mark Waller, comments, "We are truly proud of being part of the MarketMaker "group" and look forward to seeing the great impact..."
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http://tx.foodmarketmaker.com
Take-Home Message

- Know your customers
- Sell products and services that your clients want.
- Four P’s: Product, Price, Place and Promotion
- The “right” marketing approach depends on your budget and on your target customer.
- Free Marketing tools and resources available
Thank you!

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