Selling Directly to Consumers
Introduction for OPGMA

Ohio MarketReady Series: Jan. 18, 2012

The Ohio Direct Marketing Team
Selling ‘Local Food’ Directly to Consumers

- Direct to Consumer Sales Channels
  - On-Farm Market (seasonal / year round)
  - Off-Farm Market (temporary / permanent)
  - Farmers’ Market
  - Community Supported Agriculture (CSA)
  - AgriTourism
    http://directmarketing.osu.edu/content/agritourism.htm
  - Internet Sales
  - Other (selling to friends, neighbors, acquaintances, coworkers,...)
Selling Directly to Consumers
Retail – Interactive – Customer Service

• Scale – Activities, Amenities, Aims

• Level 1: Small-scale
  – Simple, Seasonal, Supplemental Income

• Level 2: Medium-scale
  – Intermediate, Employees

• Level 3: Large-scale
  – Complex, Year-round Full Service
Direct Marketing in Ohio

According to the 2007 Census of Agriculture, Ohio is one of the top 10 states for direct sales and agritourism.

Source: USDA National Agricultural Statistical Service: 2007 Census of Agriculture
Materials:
Response Cards (Clickers)

• To respond, click and hold down the button of your choice (you will see a green light)

• Please return clicker at the end of the session with your evaluation form.
We Sell...

1. directly to consumers
2. directly to wholesale buyers
3. to both consumers and wholesale buyers
Direct Marketing Nationally

Food sold indirectly accounted for most of the local foods market in 2008

71,200 farms
$877 million

22,000 farms
$1.2 billion

13,400 farms
$2.7 billion

Agricultural Resource Management Survey

• www.ers.usda.gov/AmerberWaves/December11/Features/LocalFoodMarketing.htm
• PANEL

Marketing channels?
Marketing is not only much broader than selling, it is the whole business seen from the customer’s point of view.

Peter Drucker
MarketReady
Selling Directly to Consumers

• **People:** Communication & Relationship Building
  – Customers: can you think like them?
  – My business goals/capabilities

• Product
• Place
• Promotion
• Plan & Process

People – Product – Place – Promotion – Plan
The Baby Boomers

The generation of 76 million who started turning 65 years old last year will control 52 percent of the total $706 billion spend on groceries by 2015 – Breakfast Club

Restaurants are re-interpreting breakfast for lunch, dinner and late night menus.

The Food Institute

## Think Like a Consumer

Farm Market - Farmers’ Market - CSA - AgriTourism

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### New Products
Most Active New Product Pacesetters

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast Solutions</td>
<td>23%</td>
</tr>
<tr>
<td>Salty Snacks</td>
<td>9%</td>
</tr>
<tr>
<td>Dinner Solutions</td>
<td>17%</td>
</tr>
<tr>
<td>Meal Makers/Appetizers</td>
<td>16%</td>
</tr>
<tr>
<td>Candy &amp; Gum</td>
<td>6%</td>
</tr>
<tr>
<td>Other Foods</td>
<td>27%</td>
</tr>
</tbody>
</table>

VS.

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</tr>
<tr>
<td>Meal Makers/Appetizers</td>
<td>11%</td>
</tr>
<tr>
<td>Candy &amp; Gum</td>
<td>9%</td>
</tr>
<tr>
<td>Other Foods</td>
<td>10%</td>
</tr>
</tbody>
</table>

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People – Product – Place – Promotion – Plan

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[Ohio State University Extension OARDC](https://www.oarc.osu.edu)
Think Like a Consumer

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• Snack Attack (www.ars.usda.gov) +
  – Adults doubled # of snacks per day in past 30 years
  – Same for obese, overweight, and normal weight adults

Figure 1. Percentages of adults age 20 years and over consuming specified number of snacks in a day, 1977-78 and 2007-2008

People – Product – Place – Promotion – Plan

Consumer
Think Like a Consumer

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Food Network Kitchens Predicts Angel/Devil Eating in 2012
by Healthy Eats in Food News  Comments (6)


People – Product – Place – Promotion – Plan
Think Like a Consumer

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Markets: www.farmersmarketcoalition.

Today’s News:
Instant Everything

People – Product – Place – Promotion – Plan
### Why Buy Locally Grown Food?

<table>
<thead>
<tr>
<th></th>
<th>Most Important</th>
<th>2nd Most Important</th>
<th>3rd Most Important</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freshness</td>
<td>57.49</td>
<td>24.34</td>
<td>9.31</td>
<td>87.47</td>
</tr>
<tr>
<td>Taste</td>
<td>17.40</td>
<td>34.29</td>
<td>11.31</td>
<td>62.56</td>
</tr>
<tr>
<td>Nutrition</td>
<td>3.52</td>
<td>7.08</td>
<td>10.64</td>
<td>21.15</td>
</tr>
<tr>
<td>Safety</td>
<td>3.30</td>
<td>2.88</td>
<td>4.66</td>
<td>10.79</td>
</tr>
<tr>
<td>Support local businesses</td>
<td>12.78</td>
<td>22.79</td>
<td>35.25</td>
<td>70.48</td>
</tr>
<tr>
<td>Support regional economy</td>
<td>1.32</td>
<td>5.75</td>
<td>14.86</td>
<td>21.81</td>
</tr>
<tr>
<td>Connect w/ food source</td>
<td>4.19</td>
<td>2.88</td>
<td>13.97</td>
<td>20.93</td>
</tr>
</tbody>
</table>

Think Like a Consumer

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- **Ohio Day Trips** *( Marketable, VFR, Business)*

![Bar chart showing millions of trips from 2000 to 2010, with percentage changes indicated for each year.]

- **http://industry.discoverohio.com**

People – Product – Place – Promotion – Plan

- **Consumer**
Think Like a Direct Marketer

Farm Market - Farmers’ Market - CSA - AgriTourism

• Why Sell Food Products Locally?
  – Satisfying Experience
  – Sense of Community
  – Compatible Philosophy
  – Market Opportunity

• What to Consider…
  – Your Personal, Family & Business Interests/Goals
  – Your Resources & Strengths
  – Your Lifestyle & Motivations
Think Like a Consumer
Farm Market - Farmers’ Market - CSA - AgriTourism

• PANEL

Who are your customers & how do you get to know them?
MarketReady
Farm Market - Farmers’ Market - CSA - AgriTourism

• People
• **Product**
  – Product Selection & Supply
  – Packaging & Labeling
  – Pricing & Payments
• Place
• Promotion
• Plan & Process

People – Product – Place – Promotion – Plan

Consumer
Product Selection & Supply

Farm Market - Farmers’ Market - CSA - AgriTourism

- **Product Depth/Breadth**
- **Product Variety** –
  - Seasonal fruits, vegetables, herbs
  - Eggs, meat, dairy
  - Flour, maple syrup, honey, juice, and other value-added products
  - Cut flowers
  - Interesting new products
- **Other**
  - Value-added food
  - Attributes: Organic, …
  - Recipes & newsletters
- **Opportunities to ‘visit’ the farm**

www.ohioproud.com/docs/produceavailability.pdf

People – Product – Place – Promotion – Plan
We produce…

1. Everything we sell
2. More than 50% of what we sell
3. Less than 50% of what we sell
4. None of what we sell
Packaging & Labeling
Farm Market - Farmers’ Market - CSA - AgriTourism

• Protection, Function, Education, Regulation, Reinforce Brand…

• Do not ‘over’ package ‘green’ image
STACK:

ERROR: undefined

OFFENDING COMMAND: f'~

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