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# The University of Georgia

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**Center for Agribusiness and Economic Development**  
**College of Agricultural and Environmental Sciences**

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## Road Side Stand Marketing of Fruits and Vegetables

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## TABLE OF CONTENTS

### Introduction

Marketing Trends and Market Potential .....	Page 1
Customer Profile and Statistics .....	Page 6
Merchandising Tactics.....	Page 9
Advertising, Publicity and Promotion.....	Page 17
Salesmanship and the Customer.....	Page 35
Marketing Budget .....	Page 37
Summary of Objectives and Tactics.....	Page 38
Appendix A New Leads Format .....	Page 41
Appendix B Promotional Suggestions.....	Page 43
Appendix C Trademark Information .....	Page 45

## Introduction

Producers are looking for alternative ways to market their produce to increase farm income. Marketing direct to consumers through a roadside stand provides the opportunity to increase farm income and offers consumers access to fresher, high-quality foods. Consumers have become very interested in where their food comes from. In a recent study by *Rabobank*, they found that consumers desire a stronger connection to the farmers who grow their food, which has resulted in a demand shift in the U.S. produce industry. This trend is expected to continue at least over the next five years. Food born illnesses, genetically modified foods, the desire for more natural foods, the desire to connect with farmers and the land have all fueled the demand for locally produced food products. In addition, consumers are looking for flavorful foods and most wholesale produce is harvested before it is fully ripened due to shipping and storage logistics. As a result, available fresh fruits and vegetables may not have the same taste and texture as they would if they were harvested, sold and consumed locally. Roadside stands offer consumers the opportunity to purchase farm fresh produce as it ripens.

This trend is not only present in supermarkets but in restaurants. As a result, there is increasing opportunity for producers to provide locally grown products to consumers directly from their farm, from community supported agriculture organizations, retail outlets, institutional food service and restaurants.

The purpose of this publication is to provide roadside stand marketing information for people interested in marketing directly to consumers.

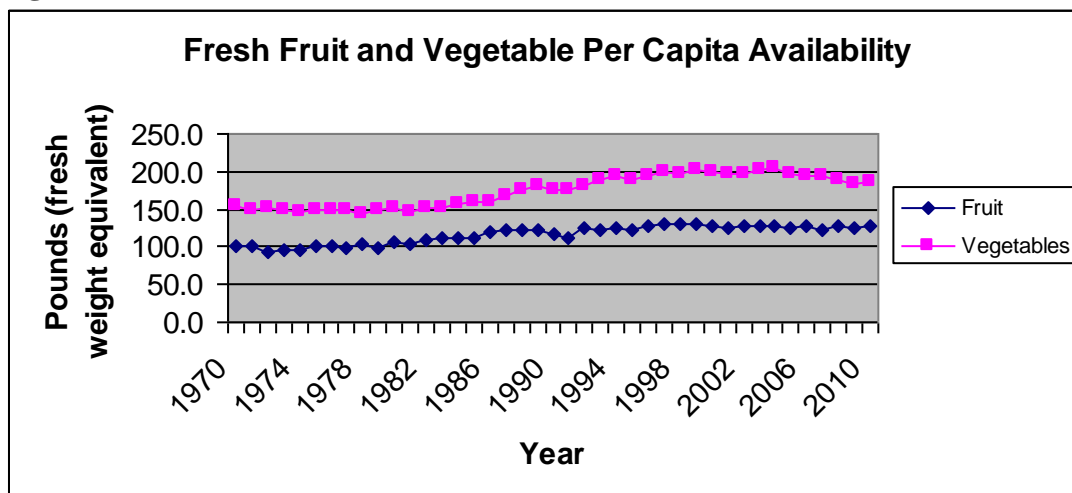
# **MARKET TRENDS AND MARKET POTENTIAL**

## Market Trends<sup>1</sup>

Currently, Americans are consuming more fruits and vegetables than any other time in recent history (See Figure 1 for USDA consumption data from 1970-2010). The USDA included statistics about the growing local food market in a leaflet released in May 2010. The statistics are as follows; "Direct-to-consumer marketing amounted to \$1.2 billion in current dollar sales in 2007, according to the 2007 Census of Agriculture, compared with \$551 million in 1997. Direct-to-consumer sales accounted for 0.4 percent of total agricultural sales in 2007, up from 0.3 percent in 1997. If nonedible products are excluded from total agricultural sales, direct-to-consumer sales accounted for 0.8 percent of agricultural sales in 2007. The number of farmers' markets rose to 5,274 in 2009, up from 2,756 in 1998 and 1,755 in 1994, according to USDA's Agricultural Marketing Service. In 2005, there were 1,144 community-supported agriculture organizations (CSAs) in operation, up from 400 in 2001 and 2 in 1986, according to a study by the nonprofit, nongovernmental organization National Center for Appropriate Technology. In early 2010, estimates exceeded 1,400, but the number could be much larger. The number of farm to school programs, which use local farms as food suppliers for school meals programs, increased to 2,095 in 2009, up from 400 in 2004 and 2 in the 1996-97 school year, according to the National Farm to School Network. Data from the 2005 School Nutrition and Dietary Assessment Survey, sponsored by USDA's Food and Nutrition Service, showed that 14 percent of school districts participated in Farm to School programs, and 16 percent reported having guidelines for purchasing locally grown produce."

These figures strongly suggest that consumers are looking to purchase increasingly larger amounts of produce from local producers. This transcends consumers looking for produce to prepare at home, to restaurants, supermarkets, food service and institutional food service. This bodes well for roadside stand operations as they have access to locally grown produce and a customer base wanting to purchase locally grown produce resulting in significant marketing potential.

**Figure 1**



## Market Potential

<sup>1</sup>Local food, Wikipedia, the free encyclopedia

To address the local market potential a site analysis was performed to estimate the number of residents that live within 5, 10, 15, 20, 25 and 30 miles of Blue Ridge Orchard. A review of existing direct-to-market research studies suggest that the majority of consumers drive less than 15 to 20 miles to purchase produce at direct-to-market outlets, suggesting that the stand will have to rely heavily on the local market for success. The site analysis market potential can be found in Tables 1 and 2.

The USDA maintains records of U.S. per capita consumption of fresh fruits and vegetables annually, based on food availability data based on production minus waste. Using the most recent USDA per capita fruit and vegetable consumption data, we can estimate the local market potential, assuming a 100% market share, in Tables 1 and 2. It is important to only include those items that can be grown or available to sell in the market when determining per capita consumption. The consumption figures in Tables 1 and 2 represent total fruit and vegetable consumption.

<b>Table 1</b>			
<b>Local Market Potential by Distance From Store</b>			
<b>Fresh <u>Fruit</u> Market Potential</b>			
<b>Miles From Market</b>	<b>Total Population 2013</b>	<b>2010 Per Capita Consumption</b>	<b>Total Market Potential</b>
5 miles	33,451	127.9 lbs	4,278,383 lbs
10 miles	207,351	127.9 lbs	26,520,193 lbs
15 miles	498,411	127.9 lbs	63,746,767 lbs
20 miles	824,584	127.9 lbs	105,464,294 lbs
25 miles	1,019,238	127.9 lbs	130,360,540 lbs
30 miles	1,077,446	127.9 lbs	137,805,343 lbs

**Table 2  
Local Market Potential by Distance From Store**

<b>Fresh <u>Vegetable</u> Market Potential</b>			
<b>Miles From Market</b>	<b>Total Population 2001</b>	<b>2010 Per Capita Consumption</b>	<b>Total Market Potential</b>
5 mile	33,451	173.5 lbs	6,258,682 lbs
10 miles	207,351	173.5 lbs	38,795,372 lbs
15 miles	498,411	173.5 lbs	93,252,698 lbs
20 miles	824,584	173.5 lbs	154,279,666 lbs
25 miles	1,019,238	173.5 lbs	190,699,430 lbs
30 miles	1,077,446	173.5 lbs	201,590,147 lbs

Given the size of the population residing within 20 miles of the retail markets, it appears that there is a substantial market potential for fresh produce. However, it is important to note that 86% of produce sales through grocery channels go through supermarkets. In order to attract new customers, Blue Ridge Orchard will have to market its products to current supermarket produce customers.

**Average Daily Traffic Volume**

In addition to the site analysis, it was determined that an estimate of daily traffic volume on Highways 52 near the orchard was needed. Daily traffic counts can be obtained through The Georgia Department of Transportation. The estimated average daily traffic volume on Highway 52, in the vicinity of the orchard, is approximately 39,470 cars. This number represents an average daily traffic counts and does not accurately reflect seasonal traffic fluctuations associated with holidays and tourism events. There is no specific information pertaining to travelers (travel point of origin, destination, number of passengers, tourists, etc.).

Assuming that a roadside stand can attract 2% of the 39,470 travelers on a given day, the daily average market potential would be 789 cars. Table 3 presents the number of cars stopping at the two stores given different shopping percentages.

<b>Percent of Daily Traffic Volume Stopping at Blue Ridge Orchard</b>	<b>Average Daily Traffic Volume<sup>4</sup></b>	<b>Estimated Number of Cars Stopping</b>
2 %	39,470	789
5 %	39,470	1,974
10 %	39,470	3,947
15 %	39,470	5,921
20 %	39,470	7,894
25 %	39,470	9,868
30 %	39,470	11,841

### **Gross Revenue Estimates Using Average Purchase Amount and Percent of Daily Traffic**

The table below provides an indication of the gross sales generated at various percentages of daily traffic stopping at the markets and various average sales (\$ spent) per customer and assumes that each car that stops make a purchase.

#### **Gross Revenue per Day at Various Traffic Volumes & Average Expenditures Per Visit**

% of Daily Traffic	No. of Cars Stopping	\$5 spent per visit	\$6 spent per visit	\$7 spent per visit	\$8 spent per visit	\$9 spent per visit	\$10 spent per visit
2 %	789	<b>\$3,947</b>	<b>\$4,736</b>	<b>\$5,525</b>	<b>\$6,315</b>	<b>\$7,104</b>	<b>\$7,894</b>
5 %	1,973	<b>\$9,867</b>	<b>\$11,841</b>	<b>\$13,814</b>	<b>\$15,788</b>	<b>\$17,761</b>	<b>\$19,735</b>
10 %	3,947	<b>\$19,735</b>	<b>\$23,682</b>	<b>\$27,629</b>	<b>\$31,576</b>	<b>\$35,523</b>	<b>\$39,470</b>
15 %	5,920	<b>\$29,602</b>	<b>\$35,523</b>	<b>\$41,443</b>	<b>\$47,364</b>	<b>\$53,284</b>	<b>\$59,205</b>
20 %	7,894	<b>\$39,470</b>	<b>\$47,364</b>	<b>\$55,258</b>	<b>\$63,152</b>	<b>\$71,046</b>	<b>\$78,940</b>
25 %	9,867	<b>\$49,337</b>	<b>\$59,205</b>	<b>\$69,072</b>	<b>\$78,940</b>	<b>\$88,807</b>	<b>\$98,675</b>
30 %	11,841	<b>\$59,205</b>	<b>\$71,046</b>	<b>\$82,887</b>	<b>\$94,728</b>	<b>\$106,569</b>	<b>\$118,410</b>

If 2% of the daily traffic stops at the roadside markets and an average of \$7.00 is spent per stop/customer, \$5,525 in gross revenue will be generated per day. In a five-day week, this equates to \$27,625 in gross revenue per week or \$110,500 per four-week month.



# **CUSTOMER PROFILE AND STATISTICS**

## Roadside Stand Customer Profile

The following provides a description of roadside market customers. This profile was generated in Wisconsin and though it may not be directly applicable to Georgia, it does provide some insight into the type of person that may be more prone to shop at a roadside market.

- One-third (33%) reside in a city with a population of 50,000
- One-fourth are over 62 years old, and 43% are 26-45
- Nearly 60% are educated beyond high-school with 33% being college graduates
- Approximately half have vegetable or flower gardens at home
- Two-thirds (67%) have annual household incomes over \$25,000 and 20% have an annual household income in excess of \$50,000
- One-third of the customers spend between \$5 and \$10 per visit. One-fourth spend less than \$5 per visit and 10% spend over \$20 per visit.
- 55% of the patrons learned of the market through word-of-mouth
- Approximately 80% of customer resided within 40 miles of the market
- Tourists account for 12% of the customers
- 75% of the customers cite quality as a reason for visiting the market
- Just under one-half (47%) were concerned about the use of agri-chemicals in crop production and marketing

## Additional Roadside Stand Marketing Information<sup>2</sup>

Table 4 provides a brief overview of shopping habits of roadside stand consumers in various states.

Table 4 Overview of Shopping Habits of Roadside Stand Consumers in Various States			
State	Trips/Month	Average \$ spent/visit	Distance Majority
New Jersey	1.68 trips/mo.	\$11.01	----
Ohio	4.20 trips/mo.	----	≤ 15 minutes
Wisconsin	----	\$5.00 - \$10.00	≤ 40 miles
Arizona	----	\$7.35	≥ 20 miles
Illinois	----	\$6.00	≤ 20 miles
Michigan	----	\$12.50	----
Oklahoma State	2+ trips/mo.	----	≤ 15 miles

<sup>2</sup> Characteristics of Farmer -To-Direct market Customers; An overview, by Ramu Govindasamy and Rodolfo M, Nayga, Jr. Department of Agricultural Economics and Marketing Cook College, Rutgers-The State University New Brunswick New Jersey.

- On average, an individual will shop at a direct to market type of establishment on average about 2.0 times per month compared to 2.2 grocery store trips per week.
- Direct-market customers typically spend anywhere from \$5.00/trip to \$12.50/trip while non-local consumers generally spending more than local consumers.
- Direct-market shoppers anticipate that the quality of products to be higher and the price of products to be lower than found at grocery stores or supermarkets.
- Direct-market shoppers expect a variety of fresh, flavorful, high quality produce in a convenient, friendly atmosphere at a reasonable price.

# **MERCHANDISING TACTICS**

## Merchandising Tactics to Increase Customer Expenditures<sup>3</sup>

### Impulse Purchasing

One of the business objectives should be to increase the average per-visit customer expenditures for fresh produce and value-added products. One way to increase per visit sales is by increasing impulse purchasing (unplanned purchases). For example, a customer stops at the market to purchase some peaches. While waiting to pay for the peaches he/she tries a fresh cookie sample and decides to purchase a tray of cookies. The cookie purchase was an impulse purchase. Following are some suggestions to encourage impulse purchases.

- **Create displays that emphasize special products** - Set up special eye-catching displays during the peak peach season to promote different products. Customers may visit the roadside stand intent on purchasing peaches but the display may catch their attention and lead them to purchase the displayed product. This is very effective in encouraging impulse purchases.
- **Change displays often emphasizing different products** - By changing displays and featured products, you keep the store interesting and new which encourages impulse purchases.
- **Be flexible enough to change displays that aren't selling** - If a particular product is not selling, change the display. The display may not be eye catching enough to grab the customers' attention. The display need to be changed to attract customers' attention and encourage them to make impulse purchases.
- **Have a person on-hand to provide assistance and answer questions** - A lack of product knowledge may deter an individual from purchasing an impulse product. The sales person needs to be able to offer advice and answer questions to encourage the individual to purchase a product as well as recommend additional tie-in items (i.e., how to prepare a particular product or new ways to utilize the product in meals and additional products that are needed).
- **Create a friendly, comfortable atmosphere** - A more causal relaxed atmosphere that does not appear too organized encourages customers to browse. The atmosphere needs to be relaxed and friendly to encourage customers to linger and look at around various items which encourage impulse purchases.
- **Offer only high-quality products** - The products need to look clean, fresh and appetizing to be attractive to customers. Customers are not likely to make impulse purchases if the products are not top quality. If a product is not selling, put it on special and move it before the quality deteriorates too badly.

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<sup>3</sup> "Floral Merchandising" Dr. Charles R. Hall. Associate Professor of Agricultural Economics & Extension Specialist Texas A&M University College Station, Texas

- **Design your store to allow for a checkout stand** - A checkout stand is an area where value-added impulse items can be displayed. For example, have samples of your fresh produce and value added products readily displayed and available to customers while they are checking out. In addition, have a variety of value-added products close to the checkout so customers walk past them while they are waiting to pay for their purchases. A good example is supermarkets and convenience stores. They have a variety of small “impulse” products lining the way to the cash register. A recent study indicated that stores with high performance checkout stands outsold stores with average checkout stands by 24%.

## **Product Packaging**

According to Larry Davenport with the International Jam & Preserve Association, product presentation is 90% of the sell. A package’s presentation should be considered a marketing tool to attract potential customers to a product before they even consider making a purchase. A product’s name and package are two methods of conveying its image to potential customers. Thus, it is essential that a product’s packaging and name create an image that cause it to stand out. Mr. Davenport offer the following packaging advice “ Have a beautifully packaged product”<sup>1</sup>. By beautiful product, Mr. Davenport conveys that the whole package, container, label, and display, must all be attractive.

Thus, Blue Ridge Orchard may want to consider revamping its current value-added product labeling. For according to Larry Davenport and other industry material, product packaging must project the product and company’s image. For example, Blue Ridge Orchard needs to incorporate additional colors and maybe a picture/graphic into its label. The label should convey the message that these are quality homemade products.

## **Pricing**

Correctly and clearly “pricing” products is essential to the success of any business. Prices need to be fair to both the customer and the business. Pricing products is very important in that the price needs to be low enough so that customers perceive they are getting a “good value” and at the same time, high enough to return a positive revenue. For example, if Blue Ridge Orchard implemented a very simple pricing strategy for its value-added products, i.e., ½ pints of any preserves product for \$2.50 and a one pint container any preserve product for \$4.50. Blue Ridge Orchard needs to look at the cost of producing each of the various value-added products and determine if the current pricing strategy is sufficient to cover the cost of getting different products to market.

Try to evaluate the cost of producing each value-added product. Some products will likely cost more to produce than others and, therefore, should be priced higher. For example, a 16 ounce jar of peach preserves and a 16 ounce jar of strawberry preserves may have the same amount of fruit, but the value of the strawberries may be 80 cents while the value of the peaches may only be 30 cents. Similarly, there may be more labor in making strawberry preserves than peach preserves. Therefore, the price you charge for strawberry preserves should be higher than the price for peach preserves.

Below is a quick example of how to evaluate the cost of producing a value-added product. This format should be adapted for each value-added product produced.

<b>Cost Item</b>	<b>Per Batch</b> (each batch produces approximately 130 16 ounce jars)	<b>Per 16 Ounce Jar</b>
Strawberries	\$104.00	\$0.80
Sugar	\$14.30	\$0.11
Other Ingredients	\$10.40	\$0.08
Jar	\$45.50	\$0.35
Lid	\$15.60	\$0.12
Label	\$10.40	\$0.08
Labor	\$117.00	\$0.90
Payroll Taxes	\$19.50	\$0.15
Packaging Accessories	\$15.60	\$0.12
<b>Total</b>	<b>\$352.30</b>	<b>\$2.71</b>

Existing research has determined that as far as consumers are concerned, there is negligible difference in a product costing \$1.50 and one costing \$1.59. However, consumers do perceive a difference \$1.59 and \$1.60. Thus, retailers are able to capture an additional \$0.09/unit sold without negatively impacting the customers purchasing decision. However, publications pertaining to roadside stand operations suggest using 0s and 5s in pricing your products, i.e., \$1.50 or \$1.55. This strategy enhances the perception that this is a farm business and not a supermarket or grocery store which typically prices their products ending in 9.

Following are different methods of setting product prices.

- **Supply and demand pricing** - Setting prices according to seasonal fluctuation in product availability. This strategy suggests setting prices according to a particular products supply. For example, price peaches higher during the off-season and lower the prices during periods of abundant supply (summer months).
- **Cost plus pricing** - This is a simple pricing strategy. Simply add an amount or percentage to your product's total cost to determine the products price. For example in you wanted to make 30% profit on each unit of preserves sold, you would need to determine the per unit production cost and add 30% to determine the selling price.

- **Competitive pricing** - Pricing your products at the same level as your competition.

Whatever pricing strategy Blue Ridge Orchard decides to utilize, the price needs to be fair to both the customer and the business. Setting prices above the competition sends the message that Blue Ridge Orchard products are superior to the competitors. However, the quality of the product has to be superior to command this price and still leave the customer feeling as though they got a “good value.”

## **Educate Consumers**

Consumers are continually indicating that they are trying to eat healthier which includes including eating more produce. However, people do not always follow through. One issue that may lead to increased produce consumption is presenting new and easy ways to prepare produce. Research indicated that consumers would increase their consumption of fresh vegetables if they could find new methods of preparing them. This provides an excellent opportunity to educate consumers on how to prepare fresh dishes utilizing vegetables and produce via sampling and providing recipes. This can be as easy as having the salespeople offer product preparation recommendations and new meal ideas or creating poster displays showing prepared meals using different products accompanied by free recipes for preparing the meal. A more detailed discussion of sampling and displays can be found in the promotional strategy section of the report.

## **Store Layout**

The store layout should encourage customers to browse. It is a good idea to have high demand or popular products located in places that require the customers to walk past slower moving products. Popular products could be placed on the sides of the store requiring customers to pass by other less popular products to get them. Another strategy is to group popular and less-popular products beside each other. For example, you might want to display sweet corn (a popular product) and sweet potatoes (a less-popular product) together. By placing the popular and less popular products on the same display table, you are forcing customers to at least walk by the less popular product in order to get to the popular product. Customers have to be exposed to impulse items before they can consider purchasing them. These strategies offer opportunities to provide samples of the less popular products. Cross merchandising is also another good idea to increase sales. Cross merchandising products that are used together can also help increase the purchase of impulse items. For example, you could place an apple slicer next to the apples or place corn-cob holders next to the sweet corn display. Make the store look like a farm market with plenty of wooden displays and memorabilia, not just another grocery store.

## **Most Popular Fresh Produce Products<sup>4</sup>**

The following presents the most popular roadside stand products according to research conducted at Ohio State University. The survey respondents were asked which three items they most often purchased at roadside stands, the results can be found in Table 5. Again, the results may not be directly applicable to Georgia; however, they do provide a picture of what consumers expect to find at roadside markets.

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<sup>4</sup> Ohio Consumer Opinions of Roadside Markets and Farmers' Markets," Dr. Tim Rhodus, Janet Schwartz and James Hoskins. Ohio Department of Agriculture.



<u>Item</u>	<u>Percent</u>
Sweet Corn	70%
Tomatoes	66%
Melons	30%
Apples	18%
Beans	16%
Peaches	13%
Cucumbers	12%
Bananas	9%
Strawberries	9%
Potatoes	8%
Peppers	7%
Lettuce	4%

\* Ohio Consumer Opinions of Roadside Markets and Farmers Markets, Dr. Tim Rhodus, Janet Schwartz and James Hoskins. Ohio Department of Agriculture.

In addition to fresh produce, the survey respondents were asked what other products the roadside stands they visit have to offer. Table 6 presents the other items commonly found at roadside stands. Again, these results are based on the Ohio State University research but the findings provide insight into products other roadside stands stock.

<u>Item</u>	<u>Percent</u>
Flowers/Plants	53%
Jellies/Jams	41%
Juices/Beverages	36%
Bakery items	32%
Cheese products	28%
Gift items	16%
Meats	15%
Arts/crafts	13%
Bulk foods	10%

\* Ohio Consumer Opinions of Roadside Markets and Farmers Markets, Dr. Tim Rhodus, Janet Schwartz and James Hoskins. Ohio Department of Agriculture.

In addition to the information contained in Tables 5 and 6, a number of other products are frequently offered at roadside stands which include the following.

<u>Vegetables</u>	<u>Fruits</u>	<u>Miscellaneous</u>
• sweet corn	• pumpkins	• flowers
• tomatoes	• apples	• jams and jellies
• green beans	• peaches	• juices and beverages
• melons	• pecans	• bakery items
• cucumbers	• potatoes	• cheese products
• onions	• blue berries	• gift items
• peppers	• strawberries	• meats
• broccoli	• watermelons	• arts/crafts
• snap beans	• grapes	• bulk food
• carrots	• plums	
• potatoes	• bananas	
• lettuce	• nectarines	
• eggplant	• grapefruits	
• cauliflower	• cherries	
• zucchini	• blackberries	
• squash		
• spinach		
• lima beans		

### **Bakery Products**<sup>5</sup>

Bakery department annual sales increased by 2.2% in 2011 and 3.0% in 2012 as more consumers are eating meals at home. The fact that bakery sales are increasing provides Blue Ridge Orchard with the opportunity to increase revenue by offering a variety of homemade bakery products. The customers should come to associate the business with its bakery products as much as with its fresh fruits and vegetables.

One of the benefits of establishing a bakery business is that people who stop to purchase bakery products may be enticed into purchasing fresh produce. Bakery products are considered more of an impulse item compared to more traditional roadside stand products. Figure 2 presents the sales breakout of supermarket bakeries by product category. Again, these results can provide insight into customers' preferences for fresh bakery products.

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<sup>5</sup>Convenience Store Decisions, 2012: Forecasting Bakery Trends

Figure 2. Bakery Department Category Sales

**Bakery Department Category Performance**  
 Total U.S., 52 weeks ending March, 31, 2012

Segment	Dollars per Store/Week	Dollars per Store/Week Percent Change vs. Year Ago	Volume Percent Change vs. Year Ago	Volume Percent on Promotion	Volume Percent on Promotion Change vs. Year Ago	Average Retail	Average Retail Percent Change vs. Year Ago
<b>Bread and Rolls</b>							
Rolls	\$1,083	1.7%	-1.4%	9.9%	0.1%	\$1.46	4.5%
Breads	\$1,979	1.3	-3.7	15.7	-1.5	\$2.37	6.4
<b>Breakfast Bakery</b>							
Muffins	\$467	2.9%	-2.9%	14.0%	0.9%	\$2.33	7.2%
Sweet Goods	\$751	6.3	3.2	14.6	-1.7	\$2.62	4.3
Bagels	\$300	2.1	3.0	6.6	0.2	\$1.03	0.3
Doughnuts	\$779	4.4	4.1	6.4	0.4	\$1.32	1.5
<b>Desserts</b>							
Pies	\$654	2.4%	2.9%	31.0%	-3.5%	\$4.42	0.7%
Cookies	\$1,046	4.3	2.4	19.8	-2.0	\$3.44	3.1
Specialty Desserts	\$110	8.2	5.7	16.1	0.0	\$3.70	3.6
Brownies and Dessert Bars	\$141	-0.4	-4.5	20.9	0.0	\$4.00	5.6
Cakes	\$3,033	3.2	2.1	19.9	-1.2	\$6.82	2.3
<b>Other</b>							
Misc.	\$165	12.5%	8.4%	13.8%	-1.4%	\$1.82	5.1%

Source: Nielsen Perishables Group FreshFacts®

# **ADVERTISING, PUBLICITY AND PROMOTION**

## **Product Positioning**

Consumer preferences for fresh products have created a significant marketing opportunity for Blue Ridge Orchard. For example, consumers perceive that refrigerated products are perishable and have a limited shelf life. Therefore, refrigerated products must be fresh. This marketing strategy successfully portrays the image of freshness” and plays to consumer preferences for fresh products. Some companies are placing nonperishable food products in the refrigerator section of grocery stores just to project the image of freshness to consumers. This is not to say that fresh products must be in the refrigerated section. It only strengthens the claims that consumers prefer fresh products.

There are many ways to influence consumer perceptions and one way is through advertising promotional material. All advertising and promotional materials should emphasize the taste and freshness of right-off-the-farm produce and the homemade goodness of the various value-added products. For example, portraying the produce as being grown on the farm and including consumer testimonials in advertising and promotional material is one method of conveying Blue Ridge Orchards products great taste and farm freshness.

## **Advertising and Promotion<sup>6</sup>**

Advertising, promotion and publicity are critical to the success of a roadside stand or farm attraction businesses. Research suggests that up to 20% of roadside stand or farm attraction customers are lost annually (move away, shop elsewhere or pass away). This makes advertising and promotion essential in that the business needs to replace 20% of last year customers just to equal last years customer traffic. Blue Ridge Orchard needs to develop an extensive marketing plan. Contact the Center for Agribusiness and Economic Development if you need help in developing a market plan.

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<sup>6</sup> Should I Grow Fruits and Vegetables? Roadside Stands,” Loyd, Renee, M. and Daniel S. Tilley. Oklahoma State University Extension Service, Facts, No. 186.

**Marketing Mix** - There are numerous advertising and promotional tactics that can be used to reach customers and tell them about your product. However, there is no single formula for success or “silver bullet” strategy which will guarantee success. Instead, marketing is more like an art than a science in that it is a creative process rather than an exact formula that should be followed in all situations.<sup>7</sup>

It is important to understand that the ultimate function of advertising and promotion is to sell more products. Since developing an effective and successful advertising strategy is more like an art than an exact science, it takes experimentation and measurement to determine the most effective method to advertise and promote your businesses products and services.

**Table 7: Cost Per Sale Comparison**

Medium	Cost per Sale
Direct Mail (Letter-sized)	\$51.4
Pay-Per-Click	\$52.6
Print Advertising	\$60.5
Telemarketing	\$190.5
Email	\$55.2

Source: DMA, 2012 Response Rate Report

**Word-of-Mouth Advertising** - Word-of-mouth advertising appears to be the most effective way of attracting customers to direct-to-market consumers. Word-of-mouth advertising can be both positive and negative. As a general rule, people are more likely to complain about their experience than they are to compliment it. As a result, if customers are less than satisfied with quality, price, and service or any other aspect of the operation, they may actually hurt business by generating negative word-of-mouth advertising. On the other hand, if a customer is satisfied they are likely to recommend your business to family and friends and satisfied customers are significantly more likely than unsatisfied customers to make repeat visits. Thus, it is critical that you maintain quality product, deliver exceptional service and make the experience enjoyable for the customer. A simple formula to remember is that 20% of customers account for 80% of your business and therefore generating loyal repeat customers is a critical success factor.

**Road-Side Signs** - The second most effective method of advertising is apparently road-signs<sup>8</sup>. The roadside sign provides potential customers with a variety of information about your market. Some of the information you should include on your sign are:

- location
- business Hours
- special promotions
- seasonal products
- other attractions

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<sup>7</sup> Creating a Marketing Plan; E.A. Estes and C.W. Coale, Jr., 1995 North American Farmers' Direct Marketing Conference, Knoxville, TN

<sup>8</sup> Marketing Channels: Pick-Your-Own and Agri-Entertainment," Greer, Lane ATTRA Technical Specialist.

In addition to containing information, your sign should “catch” the attention of motorists. The sign should be designed to attract the attention of passing motorist by using high contrast and large letters in combination with bright easy-to-read colors (e.g. yellow writing on a navy blue background). However, the sign needs to be easy to read as motorist will typically be passing by the sign at speeds of 30 mph or more. Table 8 presents a guideline for creating a sign given the various traveling speeds.

<p style="text-align: center;"><b>Table 8</b>  <b>Example Distances and Words Read At Various Speeds</b>  <b>With Recommended Letter Heights and Widths.</b></p>						
Distance (ft)	Letter Width (inches)	Letter Height (inches)	Number of Words at Speed			
			30 (mph)	40 (mph)	50 (mph)	60 (mph)
50	3/8	1 3/4	4	2	1	0
100	3/4	3 1/2	8	5	4	3
200	1 3/8	7	15	11	8	6
300	2 3/16	11	22	16	13	10
400	2 7/8	14	30	22	17	14
500	3 1/2	17 1/2	38	28	22	18

Source: Should I Grow Fruits and Vegetables? Roadside Stands,” Loyd, Renee, M. and Daniel S. Tilley. Oklahoma State University Extension Service, Facts, No. 186.

A number of signs should be placed on the roadway prior to the market to ensure customer exposure. However, the final sign needs to be spaced at a reasonable distance from the market to allow motorists time to slow down safely to make the turn. The following outlines the distance needed to slow down safely at different speeds:

- at 30 mph a car needs 2/10 of a mile to slow down safely
- at 40 mph a car needs 1/4 of a mile to slow down safely
- at 50 mph a car needs 3/10 of a mile to slow down safely

**Mass Media Advertising** - At least two months before the peaches are ready to be picked, you should obtain advertising cost and scheduling information for the local newspaper and a local radio station or stations. In addition, you should start preparing your electronic and print advertisements. Radio and television advertising is immediate and can be used to blitz consumers when harvest is the heaviest. Again, this message should be prepared in advance.

Mass media advertising should be directed at the local market and are particularly useful to “kick off” the opening of Blue Ridge Orchard’s 2013 pick-your-own season. By advertising, you are able to reach a large number of potential consumers. Advertisements can be used to get potential consumers attention and alert them to your opening and any special events that may be taking place. It is also a good idea to periodically advertise the market and remind potential customers that you exist, i.e. in the off-season to promote your stands.

**Publicity** might be considered inexpensive or free advertising, i.e., local newspaper running a feature story on your business. Many times, advertising sources can also provide a business publicity if the media can be convinced that the business has a good story. There are a number of sources media sources that can provide publicity and a lot of times publicity can achieve the same goals as advertising.

Before you decide to advertise or seek publicity in newspapers, television and/or on the radio, make sure that the subscriber or listener demographics of the newspaper, television station and/or radio station are similar to the demographics of your target market (customer).

#### **Television Advertising/Publicity**

Blue Ridge Orchard should try and convince one or more of the local television stations that they need to do a feature story on Blue Ridge Orchard. This feature story has the potential to reach a very large metropolitan area. Blue Ridge Orchard should consider advertising on television again this year. You indicated that you had good response to past television advertising which may be very useful given your anticipated bumper crop. Again, try and monitor the impact of the television exposure on business in order to determine if further television advertising and promotion are worth pursuing in the future.

#### **Newspaper Advertising/Publicity**

Blue Ridge Orchard should have a feature story in the local paper. This feature story has the potential to reach all of a particular newspaper's subscribers. In addition, Blue Ridge Orchard may want to advertise in the newspaper on the weekend during the first couple of weeks the operation is open. Again, try and monitor the impact the newspaper advertising has on business.

#### **Radio Advertising/Publicity**

Try and work out an agreement with a local radio station to include Blue Ridge Orchard as part of their promotional program. For example, they may give away two passes to Blue Ridge Orchard's Pick-Your-Own and two complimentary fried peach pies. Radio advertising is another option for informing potential customers that Blue Ridge Orchard is open and ready for business as well as what activities and products are available. Radio advertising is immediate and can be used to blitz consumers when harvest is the heaviest. Again, if you decide to use radio advertising, you may want to somehow tag the advertisement so that you can monitor its effectiveness in generating business.

To effectively take advantage of electronic and print media publicity, a few issues need to be addressed. The following outlines material that needs to be created to help generate media exposure.

A **media list** should be developed. The media list should include local and regional media that are directed toward potential customers. These media provide a means of advertising your product to potential consumers or even generating publicity for your products through editorials and stories. In addition to providing free publicity, the media list can be a valuable source of "events" for promoting the Blue Ridge Orchard's products as the media provides information on community events. Another promotional tool is to contact local radio stations and have your product be a part of an on-air promotional campaign. A gentleman in Chicago used this tactic to generate inexpensive advertising. The local radio personalities would give one unit of his product away every hour as part of their listener appreciation program. This generated hourly advertising for the cost of a bottle of product (\$2.29).



**News Leads** should be sent to appropriate media each time there is an occasion or event associated with Blue Ridge Orchard. Such occasions or events could be:

- the 40<sup>th</sup> year in operation
- new product introductions (e.g. now serving fried pies and ice-cream)
- the business visited by a notable person

It is very important that the news lead be formatted to meet a particular publication. Editors are not likely to spend the time and effort to re-write a news lead. A news lead has a better chance of being published if it is easily adapted to the specific format of the newspaper or magazine to which it is being submitted. A sample news lead format can be found in Appendix A.

**Key people** in selected media should be identified and provided product samples at appropriate times such as holidays or other occasions. An extensive list of publication editors, radio news editors and local television editors should be compiled and provided samples on holidays or special occasions. These individuals look for interesting stories focusing on the region and could promote the Blue Ridge Orchard's products via a news article or feature story.

### **Pitching Your Story**

Just like selling your business or products to consumers, you will have to sell your business or product to the media to be considered for a feature story. Before contacting television stations, radio stations or newspapers in your area, there are some simple questions you should have answered to help you effectively and efficiently pitch your story. The following outlines questions that you should be able to easily and readily answer and even have in front of you when talking when you talk to individuals in the mass media<sup>9</sup>:

- **What is the story?** (Two sentence maximum)
- **Who is in the story?** ( list the people that can be interviewed, and the area of expertise)
- **When is the best time to air your story?** (Think about the goal you want to achieve getting your story on the air. If you are trying to build participation, the story should be aired prior to your event)
- **Where will the story take place?** (What are the visuals? Will it look good on TV?)
- **Why is this a good story?** (How will the story effect the viewers or listeners)

### **Promotion**

Promotions involve customer response and involvement as opposed to advertising which involves delivering information about a product or business to potential and existing customers. However, product adverting and promotion are frequently used together. For example, a car dealer may advertise his dealership while running a free hotdog and soft drink promotion for

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<sup>9</sup> Story Pitch Sheet." Tammy Algood, Food Marketing Specialist, University of Tennessee Agricultural Extension Service

individuals who visit his business. Promotions are a way to entice the customer to purchase a product through a special activity. Everybody is familiar with promotional strategies like clearance sales, in-store sampling and product give aways. A list of promotional ideas can be found in Appendix B.

## Promotional Tactics

*The Promotion World According to Retail*<sup>10</sup>, a study conducted by Cornell University, investigates the effectiveness of different promotional programs on their abilities to distinguish the store in the marketplace as well as increase product movement. Again, this research advocates the use of in-store displays, product demonstrations and sampling. According to the Cornell University study, the most effective promotional programs for differentiating a store in the market are:

- Frequent shopper programs
- Targeted direct mail
- In-store demonstrations

The retailers were asked which promotional programs were most effective at increasing product movement. The results are very similar to the programs related to store differentiation. These promotional programs overlap and not only help position and distinguish the store in the market but contribute to increasing product movement. The most effective promotional programs for increasing product movement are:

- 1) Displays
- 2) Sampling
- 3) Frequent shopper programs
- 4) In-store demonstrations
- 5) Targeted direct mail

This is valuable information for Blue Ridge Orchard. Based on these study results, Blue Ridge Orchard should consider using the five promotional programs mentioned above. By effectively developing and administering these promotional programs, Blue Ridge Orchard should be able to distinguish itself in the marketplace as well as effectively prompt consumers to purchase more and different types of its products.

1) **Displays** - were determined to be one of the most effective means of promoting food products, according to the aforementioned research. Displays need to be colorful, attractive and “eye catching.” The display’s main purpose is to entice customers to look at the displayed products. The display (color, material, etc.) needs to compliment and enhance the products image as well as the stand’s image that the products are farm fresh and of the highest quality.

Displays need to be accessible and appear bountiful as customers prefer bulk displays. Customers prefer to the option to choose the products they purchase as opposed to having the products prepackaged. Products that complement one another (i.e., lettuce, cucumbers and other salad ingredients) should be displayed together. Products that bruise easily can be displayed in bulk using a single layer display. Customers supposedly replace produce in single layer displays more carefully than they replace fruit in bulk more bulkier displays like bushel baskets.

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<sup>10</sup> German, Gene A. and John L. Park “The promotional World According to Retail.” Food Industry Management, Cornell University

2) **Sampling** - Sampling is a very effective way to promote food products. Consumers are not generally overly enthusiastic about shopping for grocery items<sup>11</sup>. However, consumers love sample products, whether it is food or shampoo. Sampling provides a risk-free method for consumers to try different, new or exotic products. According to a focus group cited in "*Let Consumers Sample the Goods! Why Tasting is Often Better than Advertising*" consumers reported that in-store sampling:

- allows them the opportunity to try products they might not ordinarily purchase
- encourages them to purchase the products sampled
- entertains children accompanying shoppers

Allowing children to sample products is another promotional strategy to increase consumer purchases. It is estimated that children directly influence about 20% of a household's total grocery store food expenditures and indirectly influence another 32%. This is significant. If the consumer's children like the product, they may influence the adult to purchase the product. Sampling is a very cost-effective method of promoting products. Media advertisements and promotions are very effective methods for positioning products and raising consumer awareness about your store and its products but are not as effective in trying to convenience consumers to purchase items with which they are unfamiliar. Again, referring to the article in *The Packer's* "1993 Fresh Trends Consumer Profile Study," it was revealed that consumers would increase their consumption of fresh vegetables if they could find new methods of preparing them. Sampling provides a means of allowing the consumer to try these different cuts without having to spend money. Sampling is also very effective in promoting products consumers are familiar within that it reminds them of how good the dish tastes. The end result may encourage consumers to purchase the sampled product so they can create the dish at home.

Sampling should not be limited only to Blue Ridge Orchards value-added products, but should include its produce. For example, by allowing customers to sample different types of apples, they can determine which ones they like which will hopefully increase their chances of making a purchase.

3) **Frequent Shopper Programs** - The primary reasons for obtaining a shopping card are to save money and to cash checks. Customers mainly enroll in frequent shopper programs to take advantage of additional savings or special deals on products. Interestingly, 16% of the survey respondents indicated that they enrolled for a card to be included on a custom-mailing list targeting card holders.

According to the 1998 A.C. Nielsen Corporation's "Frequent Shopper Programs" study, the ability to use a frequent shopper card ranked higher than everyday low pricing or customer service in the customers decision to shop in a particular store. The only two reasons that were rated higher than the frequent shopper program were location and store deals. The 1998 study also reports that over one-half (55%) of U.S. households have at least one frequent shopper card, up from 35% in 1997.

"The information in this study is critical to retailers and manufacturers because frequent shopper card holders tend to spend significantly more money when grocery shopping than non-card holders," said John Lewis, Executive Vice President, Marketing for AC Nielsen U.S. "Individual store analyses indicated that a frequent shopper member can spend nearly two to three times that

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<sup>11</sup> John L. Stanton, *Let Consumers Sample the Goods! Why Tasting is Better than Advertising.* St. Josephs University

of a non-member. And card holders are diligent in their use of frequent shopper cards, with 77% of card holders using their store card every time they shop and another 14% using it most of the time," continued Lewis.

Frequent shopper participation profile:

- larger households (3+ members)
- households with higher incomes
- households with professional/white collar jobs

**4) In-store demonstrations** - may not be practical for the roadside stand, however recipe displays are effective alternatives. One method of encouraging and enticing consumers to try different fresh produce or to increase their purchase of fresh produce is to have colorful, easy to follow recipes available throughout the store. Another method of increasing consumers' consumption of fresh produce is to introduce them to new tasty recipes. The shopper may decide to buy additional produce to try at home after seeing deliciously enticing new recipes. American consumers are becoming more adventuresome and are trying flavorful, fresh, ethnic and regional foods. Recipes depicting these "types" of new and/or exotic dishes may encourage consumers to purchase additional produce so they can try out the dishes. The recipes should have a picture of the finished dish, easy to follow step-by-step directions and the type of foods needed to prepare the dish. Again, the featured meals should focus on those that are quick and easy to fix. It may be a good idea to have large color photographs of popular, complete, and easy to prepare meals on display. These photographs should be changed periodically to introduce consumers to new recipes and meal ideas. Again, by using displays and making recipes available, Blue Ridge Orchard should be able to encourage consumers to try different products and hopefully increase their overall purchases.

**5) Targeted mail** - is an effective way to target a specific group of consumers with advertising flyers, brochures, specials price lists and countless other types of promotional material. However, planning and implementing a direct mail campaign is not simple. The cost of reaching a potential consumer using direct mail is estimated at approximately \$1.68<sup>12</sup> which includes items such as postage, envelope, letterhead, typing, logo, brochure and labor. The following section provides some tips on creating a successful direct mail program.

There are a number of factors that are critical to implementing a successful direct mail campaign. However, the single most critical factor in a successful campaign is having an accurate mailing list. A comprehensive mailing list provides a means for contacting existing and potential customers with advertising flyers, brochures and price lists.

One simple and inexpensive way to generate a mailing list is to collect basic information (customer's name, address, state, city, Zip code and telephone number) as you fill orders. Mailing lists can also be obtained through list brokers, organization membership lists, news articles and magazines. However, before a company invests in purchasing a mailing list, it is important to study the list's composition as the company only wants to mail to areas with demographics similar to the target market. If your mailing is not directed toward your target market, you have wasted time and money.

The following discussion outlines factors that should be considered before undertaking a direct mail campaign. Besides carefully compiling or selecting a mailing list, there are a number of

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<sup>12</sup> Source: Penton Media Inc., "What is the most cost-efficient way to communicate with business decision-makers." October 17, 1997

other factors which can significantly impact the success of your direct mail campaign. The most common factors that should be considered are <sup>13</sup>:

- The product offer
  - Presentation of the offer
  - Seasonal factors
  - Envelope considerations
  - Mailing considerations
  - Seasonal factors
7. The product offer must somehow appeal to the potential consumer. The offer must provide the consumer with an important benefit. Blue Ridge Orchard's direct mail offering provides area residents with access to locally produced quality, tasty, farm fresh produce and homemade products. According to industry research, these food characteristics are now preferred and the direct mail offer should address how Blue Ridge Orchard can satisfy these changes in consumer preferences.
  8. Presentation of the offer is critical to a successful mailing campaign. The recipient is not able to evaluate the product in the traditional manner, (i.e., potential customers are not able to taste, touch, see or smell the product). Therefore, the paper presentation of your company and product is critical to the customer's perception of your company and its products. The material should be presented in a professional manner and clearly written so your potential customer can easily and fully understand your offer. The material should emphasize product benefits (taste, freshness and health benefits) as opposed to just discussing your company.
  9. Envelope considerations - The envelope should look professional and avoid the appearance of "junk mail." Your potential customers are continuously being bombarded with junk mail to decrease the chances of having your mail tossed out, unopened. The envelope **should not** resemble junk mail but it **should** create some level of curiosity. If the recipient is curious as to the contents of the envelope, you increase the chances of them opening it. Excluding a return address or hand writing the address on the envelope are two ways to arouse recipient curiosity. Again, if the recipient does not open your envelope, you were not successful in reaching your customer.
  10. Mailing Considerations - Again, to try and avoid the image of junk mail, you should consider using first class mail for your direct mail campaign. The use of first class mail is less likely to be perceived as "junk mail" and is more reliable than bulk mail. The Direct Marketing Association estimates that any where from 5% to 15% of bulk mail is not successfully delivered. However, bulk mail can save you approximately 45% or \$0.10 per mail piece for pieces weighing 16 or fewer ounces. The benefits and costs associated with both first class and bulk mail need to be considered when deciding on a class of mail.
5. **Seasonal factors** do not impact direct mailing campaign success as much as one might think. Most direct mail companies will operate year-round. However, it is a

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<sup>13</sup> Adapted from WGSC Publications' *Direct Mail Works Like Magic* - Phone: 909-924-8831 FAX: 909-924-8431  
(www.wgsc.com)

good idea to avoid implementing a direct mail campaign during holidays, especially the end of the year holiday season. The spring and fall months are busier than the summer and end of year months.

**Product Give-Away** You may want to provide every pick-your-own (PYO) customer with ½ a fried pie. The purpose in doing this is to expose as many customers as possible to your value-added products. A lady in Ohio used a similar strategy using doughnuts. She would offer everyone who visited her PYO operation a doughnut and coffee. This promotional program introduced many people to her homemade free doughnuts. As a result, people who use to only visit the PYO operation started stopping by her roadside stand to purchase doughnuts. Once the customers were at the stand, they generally purchased produce and other items. This program was successful in that the business was able to introduce current customers to new products and services which have led to increased revenue. By promoting her value-added products, she was able to expand her current customer base (increased traffic) and increase the per visit expenditures by existing customers as they purchased the new value-added products.

**Farm Festivals** - Festivals are good ways to attract new customers and increase customer traffic and sales. It is essential that your festival have a theme (i.e., Shelby County Peach Festival). In addition to some type of “entertainment,” you need to offer something that appeals to the city dweller that makes the festival special. For example, you can make the festival special by offering customers special farm related entertainment like a sweet corn roast or square dancing. However, before deciding to participate in a local festival there are a number of issues that need to be addressed and they are:

- length of time the festival should run (2 or more days)
- the date the festival should be held
- what you will sell
- entertainment
- crafts
- crowd and traffic control

**Monitoring Advertising and Promotion Response** - It is critical to measure the effectiveness of your advertising and promotional activities. For example, if you spend \$255 weekly for a 2" x 3" ad in the local newspaper and a \$400/week for a radio spot aired twice daily, you need to know which if either of these two advertisements is having an impact on sales. You may decide to run one advertisement for two weeks and monitor customer response. You may then decide to change the advertisement and message and run it for another two weeks. By monitoring each advertisement's impact on sales, you may find that one media or advertisement works better than the other in attracting consumers. Experiment with your advertisements and promotions to determine what works and what does not work for your particular business.

By monitoring the impact of each advertisement on product sales, you will be able to quickly determine what advertising media works and does not work for your business. This approach should provide you with information that can be used to determine the return on investment (ROI) for each advertising campaign and strategy. The ROI is a simple way to estimate the cost effectiveness of an advertising or promotional campaign by measuring changes in sales or inquiries in relation to advertising for promotional expenditures.

Monitoring the effectiveness of different advertising and promotional strategies can be as simple as asking the customer or inquirer where they heard about your business and your product. If

you are using print media or the Internet, you may want to include a coupon that is redeemed at the time of purchase. Your web page might offer a coupon that can be printed and redeemed at the gate. This will provide an indication of the advertisements effectiveness. A similar technique is employed with radio advertising. Your ad may end with “mention this advertisement and get 5% off” or offer some other incentive.

## **Collateral Marketing Material**

Before an extensive advertising/promotional campaign is undertaken, there are basic marketing materials that first need to be developed. These basic marketing materials are referred to as collateral marketing material. The following outlines and describes some of the basic marketing material that should be developed.

A **logo or trademark** should be developed so it can be registered with the state and it cannot be used by another individual or company. Trademarking can be very important, as your logo can be used by other businesses if it is not trademarked. You could lose the right to use your logo if another individual or business applies for your trademark. Additional information regarding trademarks is available in Appendix C.

**Stationary** should be purchased using the company logo. Using company stationary in written correspondence portrays a professional image and official organization. The stationary can also be used to send out news releases and official notices. The logo should be on everything associated with the business-brochures, invoices, signs, stationary, business cards, displays, etc. These items can be referred to as your business stationary system and they must be consistent in the image they send to customers. For example, Starbucks has been diligent in the application of its identity. All visual communication (napkins, coffee bags, store fronts, table top promotions etc.) used by Starbucks is consistent in the message it projects.

**Brochures** should be developed. The brochure should include the “company story,” stress that this is a small customer-oriented business and include recipes in addition to the current nutrient and meat comparison information. The brochure will be used as handouts and mail pieces and should project an image that appeals to potential customers. It is important to convey the product’s desired image in the brochure as it is a selling tool by which information is relayed to potential consumers. The brochure could include example recipes and cooking directions. The brochures could also be distributed to potential consumers at an in-store sampling or mailed directly to restaurant or grocery managers as a method of soliciting business.

**Email and snail mailing lists** are a very important part of direct marketing. Have an email notification on your website allowing visitors to provide their email if they would like alerts on when produce is coming in season, new recipes are available or new activities can be found at the market. Also, start a registration book to collect basic information (customer’s name, address, state, city, zip code, email address and telephone number). Gradually over time, you will compile an extensive email and snail mail mailing list. A comprehensive mailing list provides a means for contacting existing and potential customers via emails, advertising flyers, brochures and price lists.

An **answering machine** can provide a great service to an agritourism operation. Besides freeing personnel from answering the phone, the answering machine can have a prerecorded message that provides callers with pertinent information like the following:

- hours of operation
- general prices
- products and/or attractions
- weather related issues, “closed today because of rain” or “opening an hour late due to heavy dew.”

## **Social Media**

Social media is about people interacting with people using technology.

### **Web Page<sup>14</sup>**

Online advertising, also called Internet advertising, uses the Internet to deliver promotional marketing messages to consumers. It includes email marketing, search engine marketing, social media marketing, many types of display advertising (including web banner advertising), and mobile advertising. Like other advertising media, online advertising frequently involves both a publisher, who integrates advertisements into its online content, and an advertiser, who provides the advertisements to be displayed on the publisher’s content. Other potential participants include advertising agencies who help generate and place the ad copy, an ad server who technologically delivers the ad and tracks statistics, and advertising affiliates who do independent promotional work for the advertiser.

Online advertising is a large business and is growing rapidly. In 2011, Internet advertising revenues in the United States surpassed those of cable television and nearly exceeded those of broadcast television.<sup>[1]:19</sup> In 2012, Internet advertising revenues in the United States totaled \$36.57 billion, a 15.2% increase over the \$31.74 billion in revenues in 2011.<sup>[1]:4-5</sup> Online advertising is widely used across virtually all industry sectors.<sup>[1]:16</sup>

### **Twitter<sup>15</sup>**

Twitter is a community of people actively discussing everything from politics to food to fashion to technology. Our users incorporate Twitter into their daily lives as a way to connect with their interests and discover useful information. It’s a real-time conversation about what matters to each of us—brands and businesses included.

There are over 200 million active twitter users. And those users send an average of 400 million Tweets every day. People are tweeting about everything from your newest mobile app to a popular event you’re involved in to shopping for your products to news about your company. We’ve got it all.

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14 Taken from Wikipedia’s Online Advertising -[http://en.wikipedia.org/wiki/Online\\_advertising](http://en.wikipedia.org/wiki/Online_advertising)

15 Source: taken from Twitter - <https://business.twitter.com>



Your roadside market can target just the right slice of the 200 million active users on Twitter.

**Advertisers can target their account and Tweets by:**

- Keywords in timeline
- Interest
- Geography
- Gender
- Similarity to existing followers

**Additional targeting options for Tweets include:**

- Device (mobile, desktop)
- Keyword search results

## **Facebook<sup>16</sup>**

Over one billion people like and comment an average of 3.2 billion times every day. When you have a strong presence on Facebook, your business is part of these conversations and has access to the most powerful kind of word-of-mouth marketing — **recommendations between friends**. Your Page is the central place to grow your business, build your brand and develop relationships with your customers. The first step is to create a page.

### **Create a Facebook Page**

It's free to set up a Page and it only takes a few minutes to get started. The following outline the steps necessary to create your page.

1. Choose a category and a Page name that represents your business.
2. Pick a logo or another image that people associate with your business to use as a profile picture.
3. Write a sentence about your business so people understand what you do.
4. Set a memorable web address for your Page that you can use on marketing material to promote your presence on Facebook.
5. Choose a cover photo that represents your brand and showcases your product or service. It's the first thing people will see when they visit your Page.

### **Create Facebook Ads**

Facebook Ads are paid messages coming from businesses and they can include social context about friends. People who like your Page spend an average of 2 times more as your customers than people who aren't connected to you on Facebook. Learn how to reach the right people using ads. You can target groups that are most likely to be interested in your products. After choosing your ads and sponsored stories, you will be able to choose the specific audience for your ad. The estimated audience size indicates the total number of people your ad will have the opportunity to reach if your bid and budget are high enough. **Location, Age and Gender** allow you to choose the basic demographics of the audience you want to reach

### **Engage your audience**

When people like your Page, they're saying that they care about your business and want to know what's going on. Posting relevant content is the most important thing you can do to keep them interested.

## **How to write quality posts**

- Make sure your posts are relevant to your audience and business
- Be succinct, friendly and conversational
- Share photos and videos because they tend to be more engaging
- Ask questions or seek input
- Give access to exclusive information and specials
- Be timely by posting about current events, holidays or news

**SALESMANSHIP  
AND THE  
CUSTOMER**

## **Salesmanship**<sup>17</sup>

The salesperson is the most important individual in your store in that the salesperson's cooperation, support and total salesmanship efforts are essential to the success of the business. The salesperson has the ability to influence customer purchase decisions by their salesmanship. The salesperson is the link in a long chain of actions designed to meet and serve customer needs by providing them with products when they need it. The salesperson is important to the business in that they are the customers only contact with the store, represents the store and they believe that the salesperson is the resident expert on fresh produce and the various homemade products for sale.

## **Meeting the Customer**<sup>18</sup>

Successfully meeting the customer involves understanding the factors that bring customers to the store and understanding the importance of first impressions. Customers come to you with preconceived ideas about what they expect. Among the things influencing customers are the following:

- Previous experiences in the store
- The store's advertising
- Displays of merchandise
- The store's interior and exterior environment
- Importance of good services

Recognizing that customers have hidden expectations makes it even more important for salespeople to take responsibility for developing favorable first impressions, to be aware of the store's promotional efforts, to keep customer records up to date and to handle objections courteously.

**The First Ten Seconds** - - Successful selling begins not when the customer begins actively looking for merchandise but during the first 10 seconds when the salesperson makes contact with the customer. Sales communication begins with the first hello. The way you look and sound during the first 10 seconds creates lasting impressions on the customer. The main objective during the first contact is to make the customer feel welcome; make them feel at home in your business. The beginning moments of a sale can make or break the sale closing.

People react positively to pleasant surroundings. Besides enhancing the store's environment, attractively and appropriately groomed salespeople are more confident of themselves and more enthusiastic about their job. Well organized, clean work areas are also signs to the customer reflecting your feelings about your job. In the same way, pleasant voice intonation lets customers know that you are eager to help them.

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<sup>17</sup> Floral Merchandising" Dr. Charles R. Hall. Associate Professor of Agricultural Economics & Extension Specialist Texas A&M University College Station, Texas

<sup>18</sup> The Meeting the Customer Section of the report was Adapted from "Floral Merchandising" Dr. Charles R. Hall. Associate Professor of Agricultural Economics & Extension Specialist Texas A&M University College Station, Texas

Remember:

- Recognize the customer immediately
- Smile sincerely
- Keep your work area neat
- Be neat and well groomed

**Saying Hello - - Customers** can tell in a minute whether you are interested in helping them, so use greetings to suit the situation at hand. Successful greetings are courteous, pleasant and brief. They require positive responses and emphasize that you want to help, not just make a sale.

The merchandise, neighbor or knowledge approaches all provide good methods for opening avenues to successful selling. The merchandise approach lets you focus on the item the customer is examining and find out more about the customer's needs by opening the door to an exchange of information between the salesperson and the customer. The neighbor approach, using general comments about current events or the weather, is a natural greeting for some salespeople to use. Other salespeople prefer the knowledge approach, volunteering additional information about the product the customer is examining.

Remember:

- Be sincere
- Use a greeting that requires a positive response
- Focus on the customer and the merchandise
- Emphasize a desire to serve

Improving customer relations can be obtained by providing training for employees on customer relations incentive pay for extra sales.

# **MARKETING BUDGET**

## **Marketing Budget**

A marketing budget is a necessity. After a creative marketing plan has been developed, money is required to effectively implement the marketing plan. Money must be allocated from the operating budget to cover marketing expenses (e.g., advertising and promotional material, market research, marketing consultants, market development and marketing personnel). The marketing budget should include the cost for all of the advertising and promotional media that will be used, travel and expenses, the cost of collecting additional research data, monitoring trends and shifts in the marketplace, developing collateral marketing material and all other marketing related expenses.

The marketing budget should be developed at the beginning of the year. For the existing business, a good place to start is using the past year's expenses. Additional marketing costs can then be included based on any new marketing or promotional strategies to be implemented in the upcoming year. However, for a new business, marketing costs will have to be estimated based on the upcoming year's marketing plan. The marketing budget costs should not be carved in stone, but should be used as a guide and modified according to Blue Ridge Orchard's marketing needs and projected income during the year. A rule of thumb would be 5%-10% of expected annual sales or a specified set minimum. Remember that the marketing budget is a tool to help you plan and finance marketing activities. It may be important to increase or decrease your marketing budget as your marketing needs change. For example, next year you may plan to advertise on two radio stations instead of one, thus increasing your marketing expenses by 10%. A sample marketing budget is presented in Table 9.

An infinite number of marketing and promotional activities could be implemented as a means of increasing product awareness and sales. Each type of marketing and/or promotional activity has an associated cost that must be considered. The marketing budget is one means of evaluating the marketing and promotional activities under consideration and deciding on which activities to pursue. A marketing calendar can also assist in the planning of marketing and promotional activities for the coming months.

**Table 9  
Sample Marketing Budget**

<b>Expenses:</b>	
Festival (entertainment \$1,000 materials \$1,000)	\$2,000*
Local newspapers	\$500
Radio stations	\$1,000
Television advertng (two advertisements)	\$1,400
Brochures (1,000 @ .20 each)	\$200
Fliers (1,000 @ .10 each)	\$100
Business cards	\$100
Samples	\$1,000
Direct mail postage (.33 each for 1,000)	\$333
Direct mail envelope (1,000)	\$200
Redesign and print labels ( 2,000 @ .05 each)	\$100
In-store display	\$500
Frequent shopper program	\$500**
Recipe cards and displays	\$500
Road signs (8 signs @ \$50.00 each)	\$400
Marketing travel expenses	\$500
Miscellaneous	\$50
<b>Total</b>	<b>\$6,400</b>
<p>* Estimated cost. Actual cost may vary substantially depending on desired activities.  ** Does not include products given away</p>	



# **SUMMARY OF OBJECTIVES AND TACTICS**

## SUMMARY OF SOME OBJECTIVES AND SPECIFIC TACTICS

### 1) Attract New Customers, Increase In-Store Traffic, Constantly Promote the Business and Improve Customer Awareness of the Business

- Festivals
- Improve the Retail Environment
- Promote “fresh products” theme
- Create 1-2 Specialties
- Create “Grown in Georgia” patriotism
- Exhaust “Made In Blue Ridge” opportunities
- Improve packaging/labeling
- Develop brochures
- “Free Coffee” (6:00 a.m. - 8:00a.m.)
- Frequent Shopper Cards
- Get your product(s) in other stores
- Farm Tours - - hayrides, orchard visits
- Pumpkin Patch
- Direct Mail
- Promotions
- Road Signs
- Periodic/Regular News Leads
- Capitalize on Media Lists
- Samples
- Product Give-Aways
- Emphasize Bakery Products
- Develop & Distribute Collateral Marketing Materials
- Enhance Meetings with the Customers
- Brochures
- Recipe display
- Displays
- Change store layout
- Plan deliveries to “known” traffic areas - - factory deliveries
- Radio, television, newspaper advertising

Create the Urgency for Customers to Buy, Strive to Produce Immediate Results and Increase the Average Sales Transaction

- Improve the Retail Environment
- Implement “pricing” strategies
- Identify products
- Enhance packaging
- Provide recipes
- Provide samples
- Create 1-2 Specialties
- Use Chamber of Commerce

Create "Grown in Georgia" patriotism  
Exhaust "Made In Blue Ridge" opportunities  
Promote "fresh products" theme  
Improve packaging/labeling  
Displays  
Friendly Atmosphere  
Train Sales People  
Frequent Shopper Program  
Implement Store Layout Strategies  
Promote Bakery Products  
Design a "funnel" to the Check-out Stand  
Increase Impulse Purchasing  
Educate consumers - recipes and how to prepare  
Stock unique and exotic produce (ethnic)

Excite Your Customers and Keep Them Coming Back, Enhance Your Image, Make Shopping a Fun Experience and Make Marketing Efforts Memorable

Improve the Retail Environment  
Samples  
Create 1-2 Specialties  
Exhaust "free advertising" options  
Create "Georgia Grown" patriotism  
Promote "fresh products" theme  
Exhaust "Made in Blue Ridge" opportunities  
Brochures  
"Free Coffee" (with purchase) 6:00 a.m. - 8:00a.m.  
Frequent Shopper Cards  
Farm Tours - - hayrides, orchard visits  
Pumpkin Patch  
Logo  
"Fresh"  
Promotions  
Train Sales People  
Educate Customers  
Develop Friendly Atmosphere  
Displays  
Direct Mail  
Frequent Shopper Program  
Road Signs  
Festivals

# **APPENDIX A**

## **NEWS LEAD FORMAT**

## NEWS LEAD FORMAT

(Use business letterhead stationary)

Contact: your name, address and phone number

Date:

(Leave the top 1/3 of the page blank for editors notes)

Title Your News Lead (make it catchy and exciting)

DATELINE (Town, State): You need to tell about your story idea in the most interesting way possible. What makes your idea newsworthy?

Put it in the first sentence. Be sure to give all the information the editor needs to know to make a decision to run your story or idea.

Indent all paragraphs. Double-space all copy. The paragraphs should be no longer than 6 lines, with no more than 4 sentences. Limit the news lead to one page, preferably with no more than 3 to 4 paragraphs

# **APPENDIX B**

## **PROMOTIONAL SUGGESTIONS**

## PROMOTIONAL SUGGESTIONS

After speaking to other business owners involved with manufacturing and marketing specialty foods, specifically preserves, a variety of promotional and marketing techniques need to be utilized to build product sales. Some of the more common promotional or marketing techniques that were used by these individuals and other small business individuals include:

- Build and maintain a customer mailing and contact list.
- Build your image with well-designed product label and promotional display
- Design a brochure that best explains Blue Ridge Orchard and its products.
- Design a point of purchase display for your various products.
- Design and distribute a quarterly newsletter or an industry update announcement.
- Design and distribute company calendars, mugs, pens, note pads, or other advertising specialties displaying your company name and logo.
- Design and distribute a free "how to do it" hand-out related to your industry (e.g., traditional and new uses for peaches).
- Explore cross promotion with a noncompeting company selling to your target market.
- Explore ways to share your advertising costs using cooperative advertising.
- Follow up customer purchases with a thank you letter.
- Follow up customer purchases with Christmas or birthday cards.
- Have your company profiled in a magazine or newspaper that is read by prospective customers.
- Hold a promotional contest (who can pick the most peaches in two minutes).
- Package your brochure, price lists and letter in a folder for your customers.
- Place promotional notes on your envelopes, mailing labels.
- Provide free samples of your product or service when ever possible.
- Provide public tours of your operation (e.g., school tours)
- Donate your product to different fund-raising and charity events.
- Sponsor an amateur sports team little league.
- Sponsor a cultural event through a community arts organization.
- Try providing your product to high profile restaurants in the area, even if you have to provide your product free.
- Provide local radio personalities with free samples to give away to their listeners as a small token of their appreciation.

# **APPENDIX C**

## **TRADEMARK INFORMATION**



# The Center for Agribusiness and Economic Development



The Center for Agribusiness and Economic Development is a unit of the College of Agricultural and Environmental Sciences of the University of Georgia, combining the missions of research and extension. The Center has among its objectives:

- ▶ To provide feasibility and other short term studies for current or potential Georgia agribusiness firms and/or emerging food and fiber industries.
- ▶ To provide agricultural, natural resource, and demographic data for private and public decision makers.

To find out more, visit our Web site at: <http://caed.uga.edu>

Or contact:

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The University of Georgia and Fort Valley State University, and the U.S. Department of Agriculture and counties of the state cooperating. The Cooperative Extension Service offers educational programs, assistance and materials to all people without regard to race, color, national origin, age, sex or disability.

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**J. Scott Angle, Dean and Director**