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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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# Roadside Stand Marketing of Fruits and Vegetables

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# Roadside Stand Marketing of Fruits and Vegetables (Draft)

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## Introduction

Producers are looking for alternative ways to market their produce to increase farm income. Marketing directly to consumers through a roadside stand provides the opportunity to increase farm income and offers consumers access to fresher, higher quality foods. Freshness is important in consumers purchasing decisions. One possible explanation for the freshness issue is that today, most wholesale produce is harvested before it is fully ripened because the produce has to be shipped and stored before it can be presented to consumers in supermarkets and grocery stores. As a result, fresh fruits and vegetables lose some of their flavor. Roadside stands offer consumers the opportunity to purchase farm-fresh produce as it ripens. The results of a 1997 HealthFocus Trend survey indicate that product “freshness” has become more important than less fat, convenience, price or other product considerations. Roadside stands have the advantage of offering “fresher produce” than supermarket chains.

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

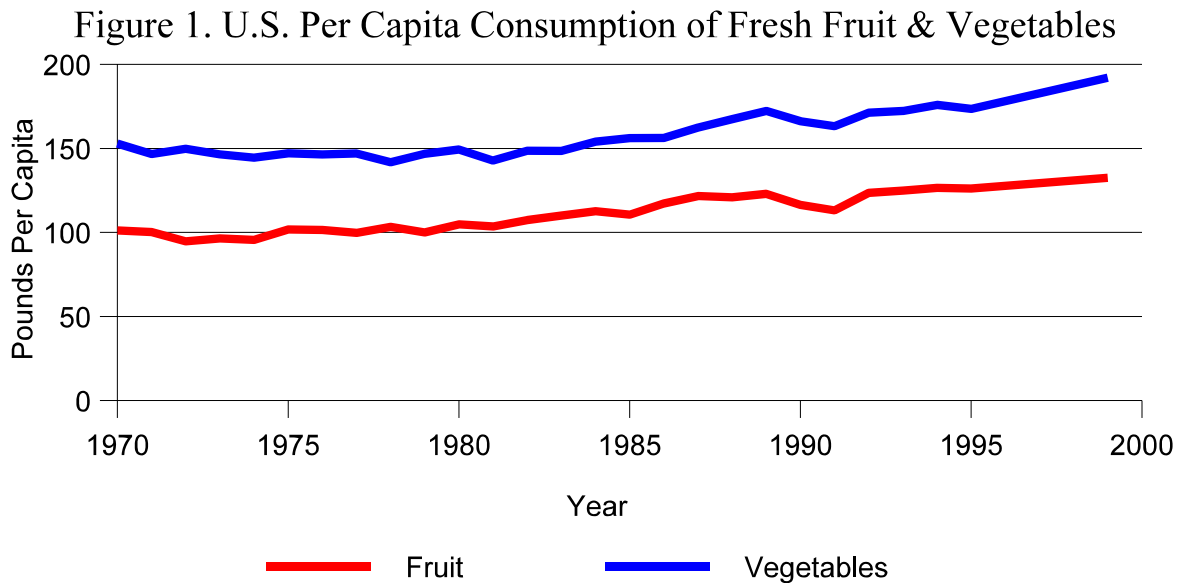
## Market Trends

Currently, Americans are consuming more fruits and vegetables than any other time in recent history, Figure 1: USDA consumption data from 1970-2000. According to the Food Institute Report, this upward trend has apparently continued as retail sales of fresh produce increased by 6.0% from 1998 to 1999. The increased demand for fresh produce is reflected in the number of produce products being stocked in supermarkets. In 1987, a typical produce department would stock 173 produce items. However, in 1997 (latest year for these statistics), a typical produce department might stock as many as 335 produce items<sup>1</sup>. The results of a 1997 HealthFocus Trend survey indicate that product “freshness” has become more important than less fat, convenience, price, or other product considerations.<sup>2</sup> In a 2000 *Roper Reports Study*, 70% of respondents indicated that they “eat what they want.” Apparently, consumers want to eat more vegetables as 68% of consumers in a 2000 FMI *Trends in the United States* study reported they are increasing their consumption of fruits and vegetables. As consumers are demanding more fruits and vegetables, their tastes have changed from purchasing fresh produce to pre-cut and packaged produce. There is a growing trend in purchasing fresh-cut produce, but currently that only accounts for 10% of fresh produce purchases. This is an important factor that could lead to new products being produced for road side stand markets.

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<sup>1</sup>FMI Supermarket Research, Volume 3, Number 1, January-February 2001.

<sup>2</sup>The NPD Group's National Eating Trends Service's *The Report on Eating Patterns of Baby Boomers*



### Market Potential

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 disappearance data. Using the most recent USDA per capita fruit and vegetable consumption data, we can estimate the local market potential, assuming a 100% market share (Tables 1 and 2). It is important to only include those items that can be grown or are 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: Local Market Potential by Distance From Store</b>			
<b>Fresh <u>Fruit</u> Market Potential</b>			
<b>Miles From Market</b>	<b>Total Population 2001</b>	<b>1995 Per Capita Consumption</b>	<b>Total Market Potential</b>
5 miles	33,451	126.1 lbs	4,218,171 lbs
10 miles	207,351	126.1 lbs	26,146,961 lbs
15 miles	498,411	126.1 lbs	62,849,627 lbs
20 miles	824,584	126.1 lbs	103,980,042 lbs
25 miles	1,019,238	126.1 lbs	128,525,912 lbs
30 miles	1,077,446	126.1 lbs	135,865,941 lbs

<b>Table 2: Local Market Potential by Distance From Store</b>			
<b>Fresh <u>Vegetable</u> Market Potential</b>			
<b>Miles From Market</b>	<b>Total Population 2001</b>	<b>1995 Per Capita Consumption</b>	<b>Total Market Potential</b>
5 mile	33,451	173.5 lbs	5,803,749 lbs
10 miles	207,351	173.5 lbs	35,975,399 lbs
15 miles	498,411	173.5 lbs	86,474,309 lbs
20 miles	824,584	173.5 lbs	143,065,324 lbs
25 miles	1,019,238	173.5 lbs	176,837,793 lbs
30 miles	1,077,446	173.5 lbs	186,936,881 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 Highway 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 count 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, 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

Table 4 provides an indication of the gross sales generated at various percentages of daily traffic stopping at the markets and various average sales (dollars spent) per customer and assumes that each car that stops make a purchase.

% 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	\$3,947	\$4,736	\$5,525	\$6,315	\$7,104	\$7,894
5%	1,973	\$9,867	\$11,841	\$13,814	\$15,788	\$17,761	\$19,735
10%	3,947	\$19,735	\$23,682	\$27,629	\$31,576	\$35,523	\$39,470
15%	5,920	\$29,602	\$35,523	\$41,443	\$47,364	\$53,284	\$59,205
20%	7,894	\$39,470	\$47,364	\$55,258	\$63,152	\$71,045	\$78,940
25%	9,867	\$49,337	\$59,205	\$69,072	\$78,940	\$88,807	\$98,675
30%	11,841	\$59,205	\$71,046	\$82,887	\$94,728	\$106,569	\$118,410

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 store.

1. One-third (33%) reside in a city with a population of 50,000
2. One-fourth are over 62 years old, and 43% are 26-45
3. Nearly 60% are educated beyond high-school with 33% being college graduates
4. Approximately half have vegetable or flower gardens at home
5. Two-thirds (67%) have annual household incomes over \$25,000 and 20% have an annual household income in excess of \$50,000
6. 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.
7. 55% of the patrons learned of the market through word-of-mouth
8. Approximately 80% of the customers resided within 40 miles of the market
9. Tourists account for 12% of the customers
10. 75% of the customers cite quality as a reason for visiting the market
11. Just under one-half (47%) were concerned about the use of agri-chemicals in crop production and marketing



### Additional Roadside Stand Marketing Information<sup>3</sup>

Table 5 provides a brief overview of shopping habits of roadside stand consumers in various states.

State	Trips/Month	Average \$ spent/visit	Distance Majority
New Jersey (1994)	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

- 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 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.

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<sup>3</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.

## Merchandising Tactics to Increase Customer Expenditures<sup>4</sup>

### Impulse Purchasing

One of the business objectives should be to increase the average per-visit customer expenditure 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. The 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.
- **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 casual, 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 around at various items, which encourages 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>4</sup> "Floral Merchandising," by 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 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. Supermarkets and convenience stores 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 Mr. 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 offered the following packaging advice: “ Have a beautiful product”. By beautiful product, Mr. Davenport mean that the whole package-container, label, and display - must be attractive.

Thus, Blue Ridge Orchard may want to consider revamping its current value-added product labeling. According to Mr. Davenport and other industry material, product packaging must project the product’s 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, Blue Ridge Orchard could implement a very simple pricing strategy for its value-added products, i.e., ½ pint of any preserves product for \$2.50 and a one pint container of any preserves 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 charged for strawberry preserves should be higher than the price for peach preserves.

Table 6 indicates examples of evaluating the cost of 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 price their products using 9s.

The following are different methods for 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 product's 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 the product's total cost to determine the product's price. For example, if a 30% profit on each unit of preserves sold is desired, 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**

An article in *The Packer's* "1993 Fresh Trends Consumer Profile Study," stated 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 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 this 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. 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>5</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 purchase at roadside stands. The results can be found in Table 7. Again, the results may not be directly applicable to Georgia, but they do provide an indication of what consumers expect to find at roadside markets.

<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%

In addition to fresh produce, the survey respondents were asked what other products the roadside stands they visit have to offer. Table 8 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.

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<sup>5</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>
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,” by Dr. Tim Rhodus, Janet Schwartz and James Hoskins, Ohio Department of Agriculture.

In addition to the information contained in Tables 7 and 8, 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	• blueberries	• gift items
• peppers	• strawberries	• meats
• broccoli	• watermelons	• arts/crafts
• snap beans	• grapes	• bulk food
• carrots	• plums	

<u>Vegetables</u>	<u>Fruits</u>	<u>Miscellaneous</u>
• potatoes	• bananas	
• lettuce	• nectarines	
• eggplant	• grapefruits	
• cauliflower	• cherries	
• zucchini	• blackberries	
• squash		
• spinach		
• lima beans		

### **Bakery Products** <sup>6</sup>

Bakery department annual sales increased by 4.8% in 1998 compared to 4.6% in 1997 and 6.2% from 1994 to 1996. 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. Table 9 presents the sales breakout of supermarket bakeries by product category. Again, these results can provide insight into customers preferences for fresh bakery products.

<b>Table 9. Supermarket Bakery Sales Distribution</b>	
<b>Bakery Product</b>	<b>% of Bakery Sales</b>
Bread	27.7%
Cakes	25.9%
Doughnuts	13.8%
Muffins/Croissants	9.5%
Cookies	7.5%
Pies	7.0%
<b>Table 9 (Continued)</b>	

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<sup>6</sup>Food Institute Report “1998: A Good Year for In-Store Bakeries.” March 15, 1999



<b>Bakery Product</b>	<b>% of Bakery Sales</b>
Sweet Rolls/Danish	4.9%
Other	3.7%

## **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 and 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 great taste and farm freshness.

### **Advertising and Promotion<sup>7</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 the previous year's customers just to equal last years customer traffic. Blue Ridge Orchard needs to develop an extensive marketing plan. Contact the ADC if you need help in developing a market plan.

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

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<sup>7</sup> "Should I Grow Fruits and Vegetables? Roadside Stands," by Loyd, Renee, M. and Daniel S. Tilley, Oklahoma State University Extension Service, Facts, No. 186.

It takes experimentation and measurement to determine the most effective method to advertise and promote your businesses products and services.<sup>8</sup>

**Word-of-Mouth Advertising** - Word-of-mouth advertising appears to be the most effective way of attracting customers to direct-to-market businesses. 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, 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 may recommend your business to family and friends and satisfied customers are more likely to make repeat visits. Thus, it is critical to maintain a 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 business and therefore generating loyal repeat customers is a critical success factor.

**Roadside Signs** - The second most effective method of advertising is roadside signs.<sup>9</sup> A roadside sign provides potential customers with a variety of information about business. Some of the information which should be included on a sign:

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

In addition to containing information a roadside 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 motorists will typically pass by the sign at speeds of 30 mph or more. Table 10 presents a guideline for creating a sign given the various traveling speeds.

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<sup>8</sup> “Creating a Marketing Plan,” by E.A. Estes and C.W. Coale, Jr., 1995 North American Farmers’ Direct Marketing Conference, Knoxville, TN.

<sup>9</sup> “Marketing Channels: Pick-Your-Own and Agri-Entertainment,” by Greer, Lane, ATTRA Technical Specialist, February, 1998.

Distance (ft)	Letter Width (inches)	Letter Height (inches)	Number of Words at Speed			
			30 (mph)	40 (mph)	50 (mph)	60 (mph)
50	$\frac{3}{8}$	$1 \frac{3}{4}$	4	2	1	0
100	$\frac{3}{4}$	$3 \frac{1}{2}$	8	5	4	3
200	$1 \frac{3}{8}$	7	15	11	8	6
300	$2 \frac{3}{16}$	11	22	16	13	10
400	$2 \frac{7}{8}$	14	30	22	17	14
500	$3 \frac{1}{2}$	$17 \frac{1}{2}$	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  $\frac{2}{10}$  of a mile to slow down safely
- at 40 mph a car needs  $\frac{1}{4}$  of a mile to slow down safely
- at 50 mph a car needs  $\frac{3}{10}$  of a mile to slow down safely

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

Mass media advertising should be directed at the local market and is particularly useful to “kick off” the opening of Blue Ridge Orchard’s 1999 pick-your-own season. By advertising, a large number of potential consumers can be reached. Advertisements can be used to get potential consumers attention and alert them to opening and 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 media sources that can provide publicity and publicity often 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. 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. Monitor the impact of newspaper advertising on businesses.

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

Try to 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 heaviest. 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 can 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 are questions you should be able to easily and readily answer and even have in front of you when talking to individuals in the mass media<sup>10</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 advertising and promotion are frequently used together. For example, a car

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<sup>10</sup> "Story Pitch Sheet," by Tammy Algood, Food Marketing Specialist, University of Tennessee, Agricultural Extension Service.

dealer may advertise his dealership while running a free hotdog and soft drink promotion for 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>11</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 increased 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** - According to the aforementioned research, displays were determined to be one of the most effective means of promoting food products. Displays need to be colorful, attractive and eye-catching. The display's main purpose is to entice customers to look at the exhibited products. The display (color, material, etc.) needs to compliment and enhance the products image and suggest they are farm-fresh and of the highest quality.

Displays need to be accessible and appear bountiful as customers prefer bulk displays. Customers prefer to choose the products they purchase as opposed to having the products

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<sup>11</sup> "The promotional World According to Retail," by German, Gene A. and John L. Park, Food Industry Management, Cornell University.

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 bulkier displays like bushel baskets.

**2) Sampling** - Sampling is a very effective way to promote food products. Consumers are not generally overly enthusiastic about shopping for grocery items<sup>12</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 convincing consumers to purchase items with which they are unfamiliar. 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 items without having to spend money. Sampling is also effective in promoting products consumers are familiar as it reminds them of how good it 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 and 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 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

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<sup>12</sup> "Let Consumers Sample the Goods! Why Tasting is Better than Advertising." John L. Stanton, St. Joseph's University.

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 Mr. John Lewis, Executive Vice President, Marketing for A.C. Nielsen U.S. "Individual store analyses indicated that a frequent shopper member can spend nearly two to three times that 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** - 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 recipes. The shopper may decide to buy additional produce to try at home after seeing enticing 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. 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, easy to prepare meals on display. These photographs should be changed periodically to introduce consumers to new recipes and meal ideas. By using displays and making recipes available, Blue Ridge Orchard should be able to encourage consumers to try different products and increase their overall purchases.

**5) Targeted mail** - An effective way to target a specific group of consumers is with advertising flyers, brochures, special price lists, and 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>13</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. The single most critical factor in a successful campaign is having an accurate mailing list. A

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<sup>13</sup> Source: Penton Media Inc., "What Is the Most Cost-efficient Way to Communicate with Business Decision- Makers." October 17, 1997.



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 the mailing is not directed toward your target market, you have wasted time and money.

Besides carefully compiling or selecting a mailing list, there are a number of other factors which can significantly impact the success of your direct mail campaign. The most common factors that should be considered are <sup>14</sup>:

- the product offer
  - presentation of the offer
  - seasonal factors
  - envelope considerations
  - mailing considerations
  - seasonal factors
1. **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 grown, high quality, 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 consumer preferences.
  2. **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.
  3. **Envelope considerations** - The envelope should look professional and avoid the appearance of "junk mail." Your potential customers are continuously being bombarded with junk mail which increases the chance 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 chance of them opening it. Excluding a return address

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<sup>14</sup> Adapted from WGSC Publications' *Direct Mail Works Like Magic* - Phone: 909-924-8831  
FAX: 909-924-8431 (www.wgsc.com)

or hand writing the address on the envelope are two ways to arouse recipient curiosity. If the recipient does not open your envelope, you were not successful in reaching your customer.

4. **Mailing Considerations** - Avoid the image of junk mail by 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 anywhere 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 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 only visited 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 has 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 does not work for your particular 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 a 5% discount or 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 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.

**Mailing lists** are a very important part of direct marketing. Start a registration book to collect basic information (customer's name, address, state, city, ZIP code, and telephone number). Gradually over time, you will compile an extensive mailing list. A comprehensive mailing list provides a means for contacting existing and potential customers via advertising flyers, brochures, and price lists.

An **answering machine** can provide a great service to an agri-entertainment 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."

### **Salesmanship and the Customer**<sup>15</sup>

The salesperson is the most important individual in your store. 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>16</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:

- previous experiences in the store
- the store's advertising
- displays of merchandise
- the store's interior and exterior environment
- importance of good services

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<sup>15</sup> "Floral Merchandising," by Dr. Charles R. Hall, Associate Professor, Agricultural Economics & Extension Specialist, Texas A&M University, College Station, Texas.

<sup>16</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.

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

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

Improved customer relations can be obtained by providing instruction to employees on customer relations or incentive pay for extra sales.

## **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 11.

An infinite number of marketing and promotional activities could be implemented to increase 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.

<b>Table 11. Sample Marketing Budget (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>
* Estimated cost. Actual cost may vary substantially depending on desired activities.	
** Does not include products given away .	

### 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

**2) 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)

3) **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 “Grown in Georgia” 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:

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

# **APPENDIX C**

## **TRADEMARK INFORMATION**

## **PATENTS & TRADEMARKS**

In many instances, discussions of new products, ideas, recipes, and enterprises generally include discussions of patents and trademarks. In most cases, trying to protect a food recipe is a lost cause. Most food scientists can duplicate a recipe with supreme accuracy by making small changes to justify a different product. However, protecting a product name or label design should be considered. In the early stages of a product's life, you don't know the future success it might experience. A trademark can help decrease the chances of a competitor marketing a product with your logo or name. A trademark can protect the name or logo and prevent the use of the identical or similar name or logo by another company. A brief description of patents and trademarks is provided here. However, specific questions and concerns toward patents and trademarks should be addressed to the U.S. Department of Commerce, Patent & Trademark Office at 1-800-786-9199. Patents, copyrights, and trademarks are often confused. Although there may be some resemblance of the rights for these three kinds of intellectual property, they are different and serve different purposes.

### **What is a Patent?**

A patent is a property right granted by the government to an inventor. The patent is issued through the Patent and Trademark Office and protects the inventor from others making, using or selling the invention. A patent does not grant the right to make or sell an invention, it prevents others from doing so. Most patented ideas have a term of 20 years from the date on which the application for the patent was filed. The right provided by the patent is **only** valid in the United States and its territories.

Only the inventor may apply for a patent, with certain exceptions. If a person who is not the inventor should apply for a patent, the patent, if it were obtained, would be invalid. A person applying for a patent who falsely states that he/she is the inventor is subject to criminal penalties. If the inventor is dead, the application may be made by legal representatives, that is, the administrator or executor of the estate. If an inventor refuses to apply for a patent or cannot be found, a joint inventor or a person having a proprietary interest in the invention may apply on behalf of the non-signing inventor. If two or more persons are jointly responsible for an invention, they apply for a patent as joint inventors. A person who makes a financial contribution is not a joint inventor and cannot be included in the application as an inventor. It is possible to correct an innocent mistake in erroneously omitting an inventor or in erroneously naming a person as an inventor. The patent law specifies the general field of subject matter that can be patented and the conditions under which a patent may be obtained. In the language of the statute, any person who "invents or discovers any new and useful process, machine, manufacture or composition of matter, or any new and useful improvement thereof, may obtain a patent," subject to the conditions and requirements of the law. The word "process" is defined by law as a process, act or method, and primarily includes industrial or technical processes. The term "manufacture" refers to articles which are made, and includes all manufactured articles. The term "composition of matter" relates to chemical compositions and may include mixtures of ingredients as well as

new chemical compounds. These classes of subject matter taken together include practically everything which is made by man and the processes for making the products.

A preliminary search can be performed through The Scientific and Technical Information Center of the Patent and Trademark Office to determine if the invention or a similar invention has been included in a prior patent ( <http://www.uspto.gov/web/menu/search.html>). A patent attorney or agent may be hired to perform the preliminary search. It is important to remember that these are preliminary searches and the search may not be as complete as the search conducted by the Patent and Trademark Office during the examination. It is not uncommon for a patent examiner to reject a claim on the basis of prior patents or publications that were not revealed in the preliminary search.

### **What is a Copyright?**

A copyright protects the writings of an author against others copying the work. Works protected by a copyright may be literary, dramatic, musical, or artistic creations. A copyright provides the author protection for the expression of the work rather than of the subject matter. A description of a machine could be copyrighted as a writing, but the copyright would not prevent others from writing another description or from making and using the machine. Copyrights are technically granted to works automatically. A copyright can be claimed when a work is created and a copyright notice is included on the item. A copyright notice should be placed anywhere on the item that it can be readily seen and should include one of the approved copyright symbols, the year of first publication and the name of the copyright owner. Registration of a copyright is not required but can be done through the Copyright Office in the Library of Congress. Information concerning copyrights may be obtained from the Register of Copyrights, Library of Congress, Washington, D.C. 20559. (Telephone 202-707-3000). Copyrights are generally good for 50 years after the author's death.

### **What is a Trademark?**

A trademark can be a word, phrase, symbol, design, or combination thereof which identifies and distinguishes a product or item from others. A service mark is the same as a trademark except that it identifies and distinguishes a service rather than a product. Normally, a trademark appears on the product or on its packaging, while a service mark appears in advertising for the services. Marks are used to indicate the source or origin of the items they protect. Marks protect against others using a confusingly similar mark but not to prevent others from making the same goods or from selling them under a non-confusing mark. There are separate procedures for federal and state trademark registration. The procedure relating to the federal registration of trademarks and some general information concerning trademarks is given in a separate pamphlet entitled "*Basic Facts About Trademarks*" available from the Patent and Trademark Office in Washington D.C.



**Federal Patent and Trademark Office** - A complete list of fees levied by the Federal Patent and Trademark Office can be obtained from the office at <http://www.uspto.gov/web/offices/ac/qs/ope/fees.html>, 1-800- 786-9199 or (703) 557-3158. As of October 1, 2000, the basic filing fee for a patent was \$790 for utility applications, \$320 for design applications, and \$490 for plant applications. The application for registering a federal trademark is \$750 or \$325 for a small entity (independent inventor, small business or non-profit organization).

Federal trademark rights can exist indefinitely if the mark is used on its products or services. A Federal trademark lasts for 10 years and can be renewed every ten years. There is one catch, between the fifth and sixth year after the mark was initially registered, an affidavit must be filed containing certain information to keep the registration alive. Failure to file the affidavit will result in the cancellation of the trademark registration. More detailed information of federal trademarks may be obtained at [http://www.uspto.gov/web/offices/tac/doc/basic/basic\\_facts.html](http://www.uspto.gov/web/offices/tac/doc/basic/basic_facts.html). A federal trademark entitles the owner to use the mark nationwide. To search pending and registered trademarks visit <http://www.uspto.gov/main/trademarks.htm> and follow the instructions.

**State Trademark Registration** - Information concerning state trademark registration can be obtained from the Secretary of State Office. For more information on trademarking and service marking in Georgia, visit the following web site: <http://www.sos.state.ga.us/corporations/tmfaq.htm> or call at (404) 656-2861 or FAX (404) 657-6380.

Georgia's designated Patent and Trademark Depository Library can be found at The Price Gilbert Memorial Library at the Georgia Institute of Technology. A state trademark registration only ensures against the same mark being registered in the state. There is \$15.00 fee to register a trademark in Georgia and has to be renewed every ten years. The state and federal trademark offices do not communicate registrations. Therefore, for the best protection, a trademark should be registered with the state and federal offices. To search Georgia's Trademark and Service Mark database visit the following web site: <http://www.sos.state.ga.us/corporations/marksearch.htm>.

# **The Center for Agribusiness & 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://www.caed.uga.edu>

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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**