

Marketing Your Food Product

When most people think about the term “marketing,” they usually have one type of activity in mind: advertising. Marketing is actually much more than simply advertising; it is everything you do to promote your business and your food products, from the moment you conceive of a product to the point at which customers buy it. It involves researching, selling, distributing, and promoting your product.

To be successful, you first need to take some time to understand your product and learn about your market. Based on this knowledge, you can begin to create strategies for where you will sell your product, how much you are going to charge, and how you will promote it.



What is your product?

Ask yourself the following questions: Is my product significantly different from those currently on the market? Do I want to offer a new twist to an established product? What makes mine different from—or better than—all the others out there? Is it a product people would eat every day or something they would serve on special occasions?

Visit a couple of places where products like yours are sold. How would your product compete? What could you do better? Take cues from how others are selling your type of product. Is this something people want to purchase fresh, frozen, canned, or dried? Check out the ingredients, packaging, and labels of these products.

Who is your market?

Your target market is the group of people who are willing to buy your product. Learn about the people in the area where you want to sell your product. Look for age, gender, education, occupation, income level, and household type. This information can help you predict buying patterns of people in the area. For example, if you were looking at an area where few residents had small children, would you expect a lot of interest in baby food products? Would a traditional Pennsylvania product such as pickled ham hocks sell in an area populated by young, affluent professionals? Even with just the right marketing strategy, many matters are still outside your control. Timing, cost of market entry, and competition from others are only a few factors that make introducing a new food product a calculated risk. It is important to “calculate” as carefully as possible.

Developing a Marketing Strategy

Your entire marketing strategy centers on deciding where you will sell your product, what you will charge for it, and how your customer will benefit from choosing your product.

Where will you sell it?

Your product and your market are major factors when considering the right place to sell your product. You may be able to sell your product directly to the customer at a roadside stand, a farmers’ market, a fair or festival, door to door, or even on the Internet, if you comply with all appropriate regulations. For instance, dried fruit may be sold safely and legally over the Internet; meat products, however, cannot be sold over the Internet unless they are made in an establishment inspected by the U.S. Department of Agriculture and are protected from spoilage. The alternative is to sell your product indirectly through large grocery chains, small local stores, specialty shops, brokers, or restaurants.

Direct selling may not require a lot of cash investment, but it requires plenty of time and energy to make a sale—both of which may be in short supply if you are also processing and packaging your own products. Selling indirect usually costs more in terms of brokerage and shelf-space fees. Paying others to represent your product to potential wholesale customers frees you up to work on improving your products and creating new ones. Many entrepreneurs who are just starting out find beginning with small-scale direct sales useful so they can tweak their products to match the wants and needs of their target market.

What you will charge for it?

Determining how much to charge for a product is often a difficult task for people entering the food business. Charge too much, and no one will buy your product. Charge too little, and you will not be able to make a profit. You are more likely to find the right price if you have done a good job researching your product and your target market.

How will you convince potential customers to choose your product?

You have your product and you know the best way to sell it and what price to charge. Now you will need to increase consumer awareness of your product and convince potential customers to buy it. Creating ads in local newspapers or commercials for radio and television are traditional ways that businesses promote their products. Unfortunately, these media are inappropriate for most start-up food business since they are expensive and advertise to everyone instead of focusing on your target market. Word-of-mouth advertising is an alternative when your focus is building

customer loyalty for a target group rather than saturation of a larger market. This is because a satisfied customer often has like-minded friends who can be persuaded to try your product. This builds sales slowly, creating a stronger following for your new product, and will eventually create a demand from local independent grocers and farm markets.

Perhaps the most important way to communicate to the potential buyer is by effectively using your label. Remember that the way your product is packaged has an important function: it sends a first impression of your product to the consumer. The color, visual texture, choice of words, and overall design quality can directly influence sales. To select a design that will attract your market and fit in with your sales location, you must study how established food processors use their labels and packaging. Beyond what regulations dictate as the minimum information required on packaging, many strategies can be used to incorporate labels in your marketing strategy.

How you use packaging to assist in promoting your product depends on your target market and your advertising budget since specialized labels can be quite costly. A simple label with just enough information to satisfy regulations may be suitable for the traditional or conservative customer looking for some everyday food at a roadside stand or local grocery store. In contrast, a more elaborate and colorful design that includes detailed information about your company and your product may fit right in at an upscale specialty store that attracts affluent shoppers looking for a new food experience.

For more information, contact the cooperative extension office in your county or visit www.PaFoodVentures.psu.edu.

*"You have to know your product and you have to know your customer."
—Pa. food entrepreneur*

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