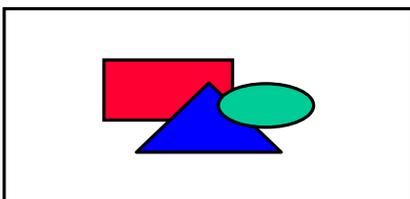


# **DEVELOPING A MARKETING PLAN FOR AGRICULTURAL COMMODITY GROUPS**

*Prepared by:*

Colorado Department of Agriculture  
Markets Division  
700 Kipling St., Suite 4000  
Lakewood, CO 80215-8000  
(303) 239-4114  
[www.ag.state.co.us](http://www.ag.state.co.us)



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# INTRODUCTION

## HOW TO USE THIS GUIDE

Developing an effective marketing plan is one of the primary challenges of a marketing order or commodity organization. This plan will represent the basis for all your marketing efforts and ultimately your success. The following guide for Developing Marketing Plans has been designed to assist you in this effort. The staff of the Markets Division of the Colorado Department of Agriculture will be glad to meet with any group to review this guide and assist you in developing a marketing plan to serve YOUR industry.

Before writing a marketing plan it is essential to fully examine all aspects of your business. By taking time to analyze your business, customers and competition, you may avoid costly marketing mistakes. The following sections will help you complete this first step:

1. Defining your business
2. Analyzing your customer and product distribution
3. Prioritizing your target customers
4. Building a customer profile (appendix)
5. Analyzing the competition

Once you have defined your business, customers and competition, you should then begin work on the elements of your marketing plan:

1. Defining your mission
2. Positioning your product in the market
3. Analysis of product usage
4. Developing marketing objectives
5. Developing an activity plan

Now, begin to develop an action plan. This process details the activities which will be used to meet your goals. In addition to the action plan, you should include an evaluation process. How effective were your activities? Most importantly, what will you do differently in the future?

Good luck in developing your marketing plan. Remember to keep this process dynamic, and continue to reevaluate your purpose and actions as the market changes.

## DEFINITION OF BUSINESS

The first challenge of an agricultural commodity organization, is defining the “business” you are in. Although your organization may never fill an order, it should be viewed as a business with measurable goals in mind.

### WHAT IS THE DEFINITION OF YOUR BUSINESS?

1. Where does your funding come from?

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2. Are you in the wholesale, retail, or service business?

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3. What is the product or service you provide?

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4. How much money and/or time is available for activities this year?

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5. Are there other groups providing the same service to your industry? What sets you apart from them?

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6. Are there other groups providing a similar service to another commodity that you can learn from? If so, which groups?

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7. Other questions which may be pertinent:

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8. Write a one or two sentence summary of what your business is:

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## **WHO ARE YOUR CUSTOMERS?**

To assist you in defining who your customers are, look at the distribution flow of your product. Understanding who is involved in this process should identify a variety of “customers”, each with unique characteristics and needs. Below is a sample chart for dry beans. Use the blank chart on the following page as a pattern for your product.

**EXAMPLE:**

**WHO ARE YOUR CUSTOMERS?**

IT WILL BE EASIER TO LOOK AT EACH STEP OF THE DISTRIBUTION CHAIN INDIVIDUALLY. DEVELOP A SEPARATE FLOW CHART FOR EACH MAJOR USE OF YOUR PRODUCT.

Which groups do you want to target?

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Review each distribution channel listed on the previous page. Include all of the various individuals that will effect your ultimate goal. On the flow chart, list what happens to the product at each step in distribution, as well as the location of the action. Also, consider the time spent at each stage.

PRODUCT SALES CHANNEL OR USE: \_\_\_\_\_

WHO AFFECTS THE GOAL?	WHAT IS DONE?	WHERE THIS OCCURS	TIME NEEDED FOR COMPLETION
Farmer/Producer	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____

**NOW LIST CUSTOMERS AND WHETHER YOU WANT TO AFFECT THEM WITH YOUR MARKETING PLAN**

Even though you know a group is your customer, you may choose NOT to develop activities to affect their actions. This is fine, but by addressing this issue in your marketing plan your industry will be aware that it was not an oversight.

	<u>WHO</u>	<u>TARGETING IN YOUR MARKETING?</u>		<u>PRIORITY OR RANKING</u>
		<u>Yes</u>	<u>No</u>	
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____
7.	_____	_____	_____	_____
8.	_____	_____	_____	_____
9.	_____	_____	_____	_____

Customer surveys and profiles are often developed to help you learn more about who your customers are and how you might influence them. Appendix A contains additional information on this subject.

## THE COMPETITION

Who is your competition? There are many different types of competition affecting your sales. In addition to commodity organizations in other states, consider alternative products that consumers may purchase. To effectively plan your marketing strategy, YOU MUST KNOW THE COMPETITION.

Spend some time analyzing your competitors. Who are they? What are their strengths and weaknesses? Most importantly, what can you learn from each?

### DESCRIBE YOUR COMPETITORS

WHO/WHAT	STRENGTHS	WEAKNESSES	WHAT HAVE I LEARNED?
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## DESCRIBE YOUR COMPETITORS

WHO/WHAT

STRENGTHS

WEAKNESSES

WHAT HAVE I LEARNED?

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Now that you have examined your competitors, use the same framework to analyze your organization's strengths and weaknesses. This will assist you in claiming your own position, rather than reacting to the competition.

## DEFINING YOUR MISSION

What is the mission of your organization? In developing your mission statement, formulate two or three sentences that summarize your organization's purpose. This statement will communicate the goals and objectives of the organization to your members. It also indicates how the governing board will administer resources.

Remember that a mission statement should be fluid. Don't hesitate to revise the mission. Each activity and promotion will give you better insight into the market. Market conditions will also change. Consider having the board briefly review the mission statement at least once a year, if not quarterly. Just five minutes of a board meeting will be enough; simply make the mission a part of the program.

Answer the following questions in preparation of writing your mission statement:

1. How can I serve the people who fund our organization? \_\_\_\_\_

\_\_\_\_\_

2. What is the purpose of our organization? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. Who are we trying to influence? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

4. How will we know when we succeed? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

5. What are our statutory requirements? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

The mission of our group is:  
(2 or 3 sentences)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

---

## POSITIONING YOUR PRODUCT OR INDUSTRY

How will your product be known and remembered? It is necessary to develop a position (or image) in the market which will have a positive impact on your customers. Perhaps the message will vary as it is communicated to different segments of the market. Universities refer to this as your “position”. In reality, we are referring to your image in the eyes of the customer.

Successful campaigns take a position and have an effective marketing slogan which remains in minds of the customers. “Pork, the other white meat” represents a successful positioning of a product. Avis’ “we’re number two, we try harder” is another example. What is your position now, and where do you want to be? If you are unsure of your product’s current position, consider seeking help from someone with experience in conducting consumer research.

1. What position does your product have today? (healthy? fattening? a treat? a high-energy food?)

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---

2. Can you achieve your goals and objectives with this image? \_\_\_\_\_

---

3. Does another group have the image you would like to have? \_\_\_\_\_

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4. Is there a national organization that establishes an image for your industry? If yes, what is it?

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5. Does your commodity’s image need improving? If yes, why? \_\_\_\_\_

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Now write a position for your product:

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Your marketing efforts should all support your position or image.

## PRODUCT CONSUMPTION AND USAGE

What is the current sales or consumption pattern for your product?

Graph the sales or consumption for each product over the past 12 months (or typical 12 months) on the chart that follows. Use a different chart for each major market segment. Consider all uses of your product and the seasons in which they occur. For example, chili is usually consumed in the winter and bean salads in the summer. This exercise will help you visualize your marketing goals.

With this chart, you should be able to answer the following questions:

Which products sell and when? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Has usage changed recently? If yes, how? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

What other elements affect sales and consumption? Economy? Weather?

\_\_\_\_\_

\_\_\_\_\_

What factors have increased or decreased sales and consumption in the past?

\_\_\_\_\_

\_\_\_\_\_

When should my product be promoted to encourage greater consumption? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Now, on the same chart graph what you would like to happen. Do you want to increase sales of dry beans in June and July? Do you want to affect consumption patterns at all? Perhaps you just want to support and encourage the consumption that is happening now.

SALES/CONSUMPTION  
CHART  
GOES HERE

Markets/potato/consumptionchart.xls

## DEVELOPING MARKETING OBJECTIVES

You know when your product is sold and used; you have also defined what you want to change. Now list the objectives you would like to achieve in the next year. Perhaps you would like to increase awareness of Colorado's position as a major producer of your commodity. After the objective, list how you will measure your success.

Your marketing objectives should directly reflect your Mission Statement. In fact, your marketing objectives will explain how you will serve your Mission Statement.

Enthusiasm will spur you toward success, but be realistic about your objectives. Your members will evaluate your performance based on the completion of these marketing objectives.

	Objective	Measurement
1.	_____	_____
	_____	_____
2.	_____	_____
	_____	_____
3.	_____	_____
	_____	_____
4.	_____	_____
	_____	_____
5.	_____	_____
	_____	_____
6.	_____	_____
	_____	_____
7.	_____	_____
	_____	_____
8.	_____	_____
	_____	_____

## SUMMARY OF PLANNING ACTIVITIES

Complete this form to summarize your planning up to this point. During the next section of your Marketing Plan development, keep this summary handy, you will need to refer to your definitions and objectives to make sure your activities will help achieve the goals you have set.

DEFINITION OF BUSINESS \_\_\_\_\_

\_\_\_\_\_

FUNDS AND/OR TIME AVAILABLE FOR ACTIVITIES \_\_\_\_\_

<u>Customers</u> <u>(Priority Order)</u>	<u>Competition</u>
1. _____	1. _____
2. _____	2. _____
3. _____	3. _____
4. _____	4. _____
5. _____	5. _____
6. _____	6. _____

MISSION STATEMENT \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

INDUSTRY POSITION (Image) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MARKETING OBJECTIVES

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_

## DEVELOPING MARKETING AND PROMOTION IDEAS

Where do innovative marketing and promotion ideas originate? How can you be sure that your Marketing Plan addresses the markets, customers and issues that will result in reaching your marketing and sales objectives?

It is difficult to create a guide on how to be creative. One of the most often used techniques is “brainstorming”. This allows a group of industry people with an understanding of the issues, to gather together and “throw out ideas”. Even outlandish or far-fetched ideas are permitted at this stage; they will be put into perspective later. The key is to stimulate thought.

As you brainstorm, refer to the objectives that you wish to accomplish this year.

When you are finished brainstorming, review the resulting list and prioritize each idea.

TARGET  
OBJECTIVE

IDEA

RANK OR  
PRIORITY

1. \_\_\_\_\_

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

2. \_\_\_\_\_

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

3. \_\_\_\_\_

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

**MORE GREAT IDEAS!**

TARGET  
OBJECTIVE

IDEA

RANK OR  
PRIORITY

4. \_\_\_\_\_

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

5. \_\_\_\_\_

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

6. \_\_\_\_\_

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

7. \_\_\_\_\_

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

## **DEVELOPING AN ACTION PLAN**

Now that you have your great ideas for each market objective, how do you put your plans into action? First, build an action plan for each activity (sample format follows). Then compile a budget for all activities and incorporate them into a master-planning schedule. This will enable you to see how the components fit together.

1. Detail each activity.
2. Put all activities on one calendar and review.
3. Analyze your costs; can you afford everything?
4. Review staff and board time required to successfully complete your plans. Be realistic in what each group can do.

## ACTIVITY PLAN

ACTION OR ACTIVITY \_\_\_\_\_

MARKET OBJECTIVE \_\_\_\_\_

TARGET AUDIENCE \_\_\_\_\_

ANTICIPATED RESULTS \_\_\_\_\_

TARGET DATE \_\_\_\_\_

DATE APPROVED  
BY BOARD \_\_\_\_\_

**COST ANALYSIS:**

Budgeted

Actual

Media

\_\_\_\_\_

\_\_\_\_\_

Contract Assistance

\_\_\_\_\_

\_\_\_\_\_

Other Costs

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**TOTAL:**

\_\_\_\_\_

\_\_\_\_\_

ACTUAL RESULTS \_\_\_\_\_

WHAT COULD WE  
HAVE DONE BETTER? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## ALLOCATING YOUR ACTIVITIES BUDGET

List each of your objectives and the cost for each activity:

	<u>Budgeted</u>	<u>Actual</u>
<b>OBJECTIVE #1</b>		
Activities		
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
TOTAL:	_____	_____
<b>OBJECTIVE #2</b>		
Activities		
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
TOTAL:	_____	_____
<b>OBJECTIVE #3</b>		
Activities		
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
TOTAL:	_____	_____
<b>OBJECTIVE #4</b>		
Activities		
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
TOTAL:	_____	_____
<b>BUDGET REQUIREMENTS</b>	<b>GRAND TOTAL:</b>	
	_____	_____

It is important to have an overview of your activities for the year. This will enable you to see overlapping activities and make decisions about the needed resources.

### MASTER PLANNING SCHEDULE

Month	JAN	FEB	MAR	APR	MAY	JUN	JULY	AUG	SEPT	OCT	NOV	DEC
Activity 1												
Activity 2												
Activity 3												
Activity 4												
Activity 5												
Activity 6												
Activity 7												
Activity 8												
Activity 9												
Activity 10												
Budget Requirements												
Staff Requirements												

## **APPENDIX A**

### **CUSTOMER SURVEYS**

Now that you have identified your customers, learn more about them and the best method of marketing to them.

One approach would be to conduct a customer survey. In addition to gathering useful information, you will communicate to them that you care about them as a customer.

Each target market will probably require a different questionnaire. Some of the questions you might ask are:

1. Who are they? Age, sex, profession, training, etc.
2. How do they currently obtain your product?
3. Who are their other suppliers?
4. What trade or consumer publications do they read?
5. What trade shows do they visit?
6. What are the major issues facing their industry?
7. What issues do they feel are most important for your organization to address?
8. Suggestions from them on how you can help them do a better job of promoting your product.

When developing a survey, remember:

1. Make as many questions as possible YES or NO or MULTIPLE CHOICE. Open-ended answers are hard to evaluate.
2. Before you include a question, ask yourself, “How will I use this information?” If the information won’t help, don’t ask the question.

## BUILD A CUSTOMER PROFILE FOR EACH OF YOUR TARGET AUDIENCES

A resource book containing customer profiles is a useful tool. This may be nothing more than a loose-leaf notebook with a page for each target market. The key is to define your customers and the best way to reach them with your message. Then, as you develop your activity plans, you can refer to your customer profile and be certain that your activities are reaching your target in the most effective manner.

### Sample of a Profile

Customer \_\_\_\_\_

Products Purchased \_\_\_\_\_

Purchasing Trends \_\_\_\_\_

Product Usage \_\_\_\_\_

When Purchase Decision Made \_\_\_\_\_

Trade or Consumer Publication \_\_\_\_\_

Trade or Consumer Events \_\_\_\_\_

Other Associations or  
Memberships \_\_\_\_\_

Other Questions \_\_\_\_\_

## **APPENDIX B**

### **MEDIA**

As you begin to seek media exposure for promotions and activities, it may be helpful to have a media guide. The Colorado Broadcasters Association has available a media directory containing detailed contact information for all radio and television stations in the state. The Colorado Press Association has a similar directory of publications, they also provide a variety of services. The cost of the CBA Directory is \$35.00, and the CPA Directory is \$25.00 + tax. To purchase the directories or inquire about services contact the associations at:

#### **Colorado Broadcasters Association**

P.O. Box 2369  
Breckenridge, CO 80424  
Ph: 970-547-1388  
Fax: 970-547-1384  
[www.e-cba.org](http://www.e-cba.org)

#### **Colorado Press Association**