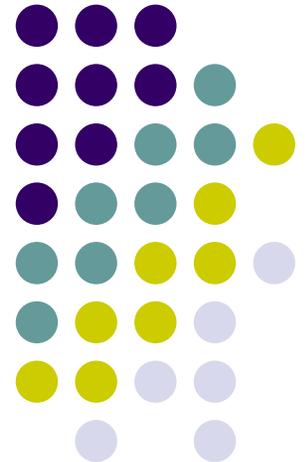


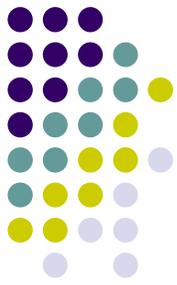
Marketing Cut Flowers

Russ Bragg

Marketing Specialist

Center for Profitable Agriculture

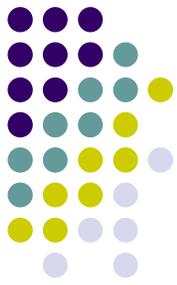




What is Marketing?

- Marketing is the delivery of customer satisfaction at a **PROFIT**.
- The twofold goal of marketing is to attract ***new customers*** by promising superior **value** and to keep ***current customers*** by delivering **satisfaction**.

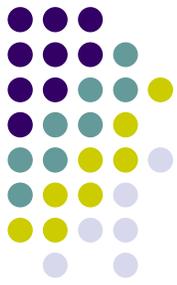
Jim DeCorsey – CEO Elanco



What is Value?

- Value-Added Agriculture
 - Value is defined as the desirability or worth of a thing; intrinsic worth; the ratio of utility to price.
 - Utility is the level of usefulness that a product has toward an individual's personal preference.

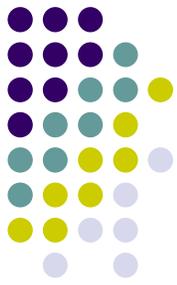
“One man’s trash is another man’s treasure”



“First Things First”

- PLAN, PLAN, PLAN
 - Outline reasons for entering business
 - Existing Inventory
 - Flowers, Trees, Shrubs
 - Planted and Natural
 - Dogwood, Magnolia, Roses, Hibiscus...
 - Location and Existing Land Features
 - Major Cities, Tourist Areas, Streams, Mountains...
 - Previous work experiences
 - Management, Special Skills, Personal Interests

Marketing Plan



- Introduction
- Market Research and Analysis
- Marketing and Financial Objectives and Goals
- Marketing Strategies
- Marketing Mix / Marketing Tactics
- Marketing Budget
- Monitoring and Evaluating Market Response
- Marketing Plan Check List



Marketing Plan



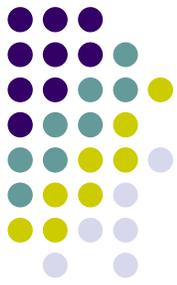
It is not the **PLAN** that is
important, It is the
PROCESS

Market Research and Analysis



- Situation Analysis – Comprehensive investigation into the business of cut flowers
- Target Market Identification and Description
 - Where is the **MONEY**?
 - What do they **WANT**?
- Competitor Analysis
 - What makes them good?
 - What makes them bad?
- Product/Service Analysis
 - What is my **VALUE** proposition
 - How will I deliver this **VALUABLE** product portfolio

GE Strategic Business-Planning Grid



| | | Business Strength | | |
|-------------------------|--------|-------------------|---------|--------|
| | | Strong | Average | Weak |
| Industry Attractiveness | High | Green | Green | Yellow |
| | Medium | Green | Yellow | Orange |
| | Low | Yellow | Orange | Orange |

Green = Invest and Grow
Yellow = Maintain Investment
Orange = Harvest or Divest

- Business Strengths
 - Can we handle this venture?
 - Financially
 - Emotionally
 - Physically...
- Industry Attractiveness
 - What is the current State of the industry:
 - Growing
 - Stagnate
 - What are the analyst saying



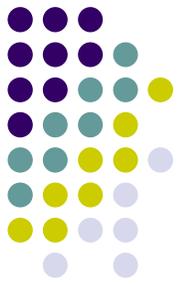
Understand Consumers

- Key to successful marketing:

- **Know Your Consumer**

- Census and demographic information.
 - <http://www.easidemographics.com/>
 - <http://www.census.gov/>

Target Market & Value Proposition



Product Based Approach



Customer Based Approach



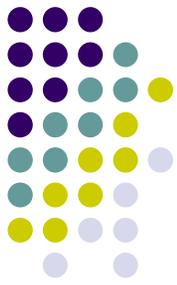
Source: Thomas T. Nagle and Reed K. Holden, *The Strategy and Tactics of Pricing*, 2nd ed. (Upper Saddle River, NJ: Prentice Hall, 1995), p.5.



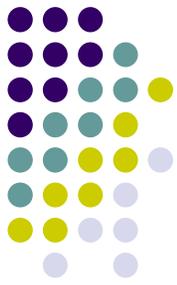
Value Proposition

- What can you offer that California, South America, Mexico, Holland... can't?
- Is the market willing to pay for it?
- Potential Value Propositions:
 - Locally Grown Flowers
 - Flowers and Plants that are extremely perishable
 - Free delivery or discounted delivery charges
 - Superior Quality and Varieties

Marketing Objectives and Financial Goals

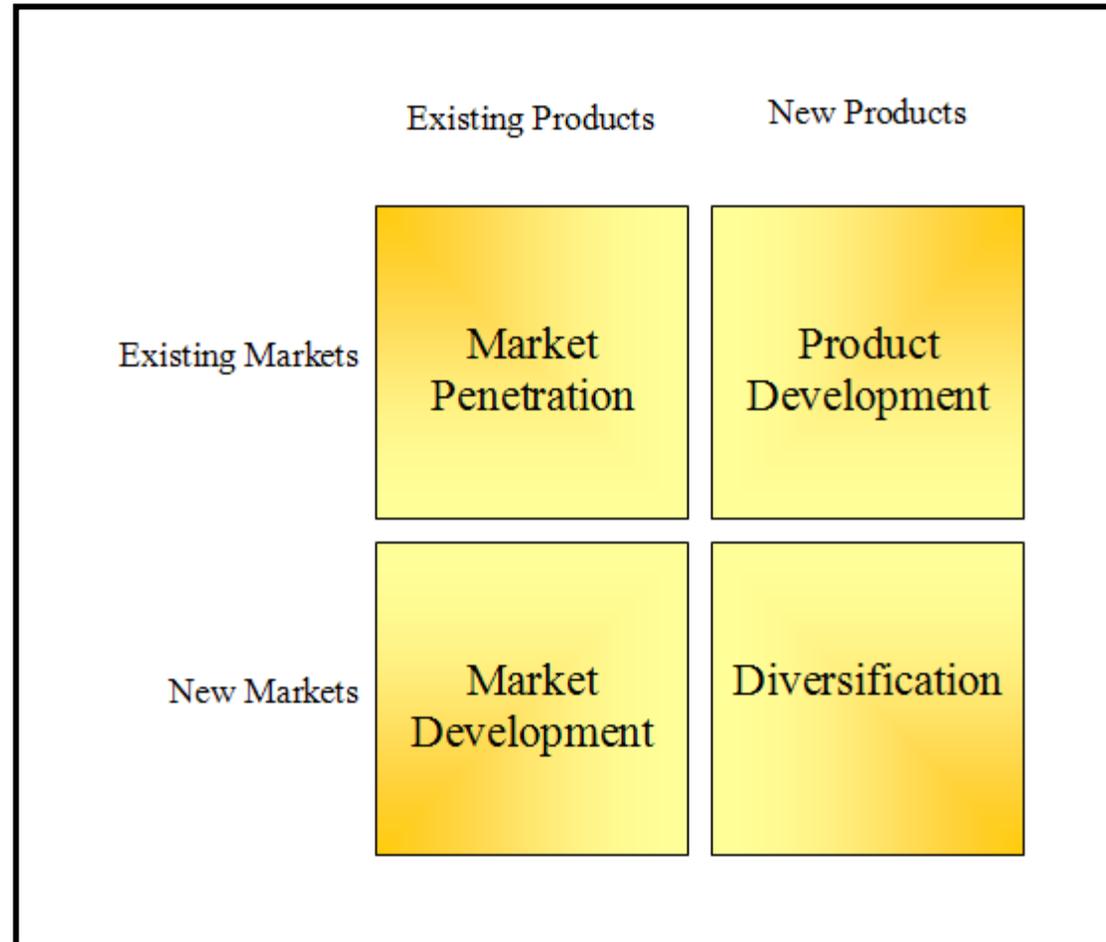


- Have GOALS for all activities
 - It is best to quantify your marketing goals
 - “For every advertising dollar, I want three dollars in net profit”
 - I want to increase sales 10% by targeting working mothers through home delivery
- Objectively determine financial GOALS
 - I want to increase the net profits on the farm by \$10,000 in the first year...
 - Be **REALISTIC**

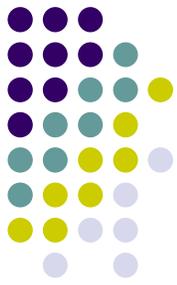


Marketing Strategies

- Market Penetration
 - Making your piece of the pie bigger
- Market Development
 - Making the whole pie larger
- Diversification
 - Involves more or different products
- Product Development
 - Changing existing products to meet consumer preferences



Marketing Mix / Marketing Tactics (The 4 P's)



- Product
 - Variety, Quantity, Features...
- Price
 - Retail Price, Wholesale Price, Discounts...
- Promotion
 - Advertising, Personal Selling, Public Relations...
- Place
 - Supply Chain, Logistics, Assortments, Locations...



Marketing Budget

- Efficiency, Efficiency, Efficiency
- Look for low cost, high value, labor intensive methods
- Plan to expect higher than planned expenses
- Talk to the consumer (Who, What, When, Where and How?)



Monitoring and Evaluating Market Response



- Keep records and use a computer
- Excel™ is a great tool for small businesses
- Monitor sales before and after the marketing or promotional activity
- Determine the ratio between marketing cost and sales increase or decrease

Bring It Together

- **PLAN, PLAN, PLAN**
- Keep costs low
- Start Small
- Look for untapped marketing channels
- Grow Consumer Demands
- Raise the bar
- Service is a **MUST**

