

ABC's of Compost Marketing Part 1

Ron Alexander
R. Alexander Associates, Inc.

MACA Conference, Beltsville MD 9/19/07



Why Compost Marketing Programs Fail



Alexander's Top 10

1. Poor product quality
2. Little / no investment in product development, sales and marketing
3. Lack of product understanding
4. Inability to educate the market (and 'sell')
5. Lack of 'market' understanding



Alexander's Top 10

6. Unwilling to learn (overall business)
7. Not differentiating sales and marketing efforts
8. No 'brand' identification
9. No product differentiation
10. ??????



1. Poor Product Quality

- Compost quality has always been the KEY (or the appropriate product for the job)
- Although compost doesn't sell itself...
...quality sure helps
- Importance of product consistency is greatly underrated
- Controlling and monitoring the process
- Analyze product, ongoing, to prove qualities



Related to Proper Infrastructure & Procedures

Production

- Product quality / specifications
- Testing/certification program
- Product diversification

Facility

- Inventory control
- Storage
- Clean
- Demonstration site
- Storage space, equipment





DO's



DON'Ts

2. Little / No Investment in Product Development, Sales and Marketing

- **LOCATION, LOCATION, LOCATION ???**
 - Investment, Investment, Investment
(not frivolous spending)
- Time, energy and money + brain time
 - Back end of facility must be taken seriously
- Take action - less thinking and more doing
- Market penetration - focused, ongoing effort
 >> **MOMENTUM**

R. Alexander Associates, Inc. ©

EXAMPLES OF INVESTMENT

Product Research

- Literature search
- Limited scale
- Full scale
- Short, intermediate, long term
- Demonstration plots
- Research farms

R. Alexander Associates, Inc. ©

Market Research & Planning

- Quantify market
- Qualify market
- Identify competitors
- Identify constraints
- Develop market plan
 - Target markets, pricing, etc.
- Identify stigmas/barriers

R. Alexander Associates, Inc. ©



Promotion

- Name/logo (branding)
- Product literature
- Advertising
- Field trials (case studies)
- Promotional items

 R. Alexander Associates, Inc. ©



Sales/Distribution

- Target markets
- Marketing strategy
- Sales strategies
- Technical assistance
- Delivery infrastructure
- Staffing

 R. Alexander Associates, Inc. ©



3. Lack of Product Understanding

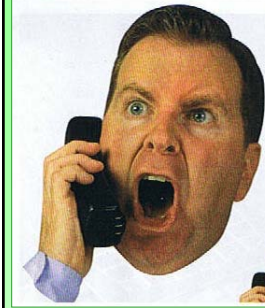
- Understand your product or no one else will
- Be well versed in technical aspects of the product
 - Doesn't mean becoming a lab specialist
 - Sell towards the products strengths
- Be well versed in technical aspects of product use
 - General and market specific

 R. Alexander Associates, Inc. ©



Customers have the right to know what they're buying

- But don't confuse them with too much information
- Prove product consistency to customers and that we understand the best uses for our product



" I don't want any pH's in my compost !! "

To much information??

Even with testing and lab data, we still need to educate



Many methods and tools to use – depends on who you are trying to reach

5. Lack of 'Market' Understanding

- **Generalities and market segment specifics**
 - Are easier and tougher markets to sell to (higher tech)
- **Allows us to market with more confidence**
- **Allows the development of new products**
- **Allows us to dollarize our benefits**
- **Allows us to reduce liability**

R. Alexander Associates, Inc. ©

Compost Markets

- | | |
|--------------------------|-------------------------------------|
| • Agriculture | • Resellers |
| • Erosion control | • Retail sales(?) |
| • Landscapers | • Topsoil manufacturers |
| • Reclamation | • Turf |
| • Sports Turf | • <u>Wholesale nurseries</u> |

R. Alexander Associates, Inc. ©



Not just selling to a nurserymen, selling to a poinsettia grower



Competition



WHICH ONE?

- Peat?
- Topsoil?
- Fertilizer?
- Other composts?



6. Unwilling to Learn

- **Must become a student of the market and of your business**
 - Commitment
- **Constantly learn and improve**
 - *Read a book !*
 - Can even learn from customers (and competition)
- **Ask questions**

R. Alexander Associates, Inc. ©

Compost Sales Staff

Necessary skills or knowledge base

- The composting process
- Compost application & benefits
- Product quality issues
- Government regulation
- Health, safety, & environmental issues
- Competition
- Prior research
- The green industry
- User needs
- Basic sales and marketing

R. Alexander Associates, Inc. ©

7. Not Differentiating Sales and Marketing Efforts

- **Selling is done face-to-face**
- **Sales is a 'numbers game'** (see #2 - investment)
- **Marketing efforts > organize, focus efforts, generate leads, etc.**
- **University research doesn't sell compost, it helps to create tools (or confidence) to sell**
- **Generally – advertisements don't SELL, they create leads**

R. Alexander Associates, Inc. ©

8. No 'Brand' Identification

- Important to create product loyalty
- Can increase value and customer confidence
- Works for bulk and bagged products
- Brand product or 'line'
- Brand should stand for something
- AAPFCO efforts (product vs. ingredient)

R. Alexander Associates, Inc. ©





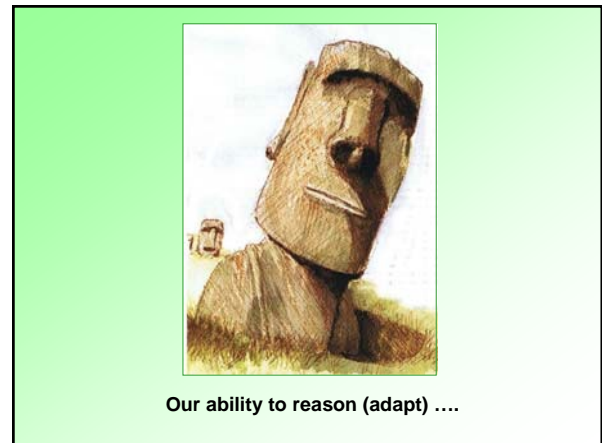
9. No Product Differentiation

- **Leaders lead**
 - Differentiating means doing something different
 - Differentiate product or company
 - Takes commitment, effort, investment
- **Want buyers to think of you or your products first (or at least think of you more favorably)**
- **Register, certify, promotions, etc.....**
- **Don't sell – be a problem solver**

 R. Alexander Associates, Inc. ©



What separates us from animals ?

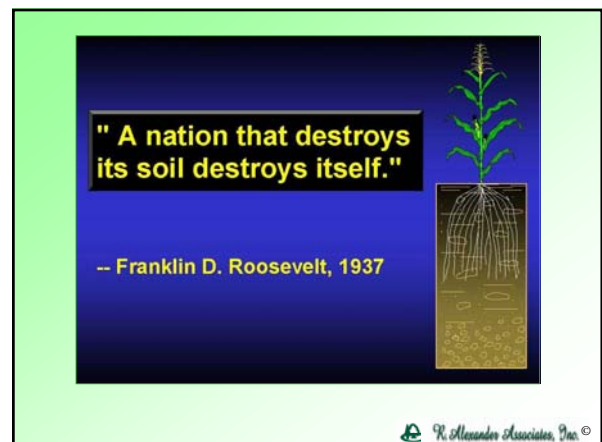


Our ability to reason (adapt)

10. Not Learning from the Mistakes of the Past !

- **If something isn't working, try something else**
- **Study the 'industry' to avoid past mistakes**
(Learn from past mistakes, or be doomed to repeat them!)
- **Can learn from successes and failures**
 - Don't be afraid to tweak things, but be careful

 R. Alexander Associates, Inc. ©



 R. Alexander Associates, Inc. ©

EXAMPLES OF MARKET TRUTHS

**Compost Market
Development/Sales**

- Heavy investment (2-3 years)
- Game plan
- Marketing is about momentum
- Build a committed and competent team
- Manage logistics for the customer
- Etc.....

 R. Alexander Associates, Inc. ©

Questions ?

 R. Alexander Associates, Inc. ©