



Section 5: Markets

After each topic in this section there is a set of questions designed to help you examine and evaluate the marketing function of your business.

1. Customer Assessment:

Your customers are the ones who purchase your apples.

If you direct market your apples it's easy to identify your customer because you interface directly with them.

With processing, your product usually goes directly to the processor.

However, if you are a commercial grower, you may never see the final consumer, and there may be numerous transactions on the route to that final consumer, but you do have customers along the way. The way the system works, in a majority

of cases, is that the storage facility, packer, marketer and trucker provide services, and the supermarket or retail outlet is the first true customer. Part of the marketing service is collecting and dispersing the payments for the other services. Yet each of these service providers is a gatekeeper in the process, and a grower who wants to use those services has to meet their requirements. Thus they need to be viewed as a customer too.

Think about who purchases your apples and answer the following questions.

a. Who are your customers or the buyers of your products?

b. Are customers in your market channel(s) sustainable (will they be around 10-20 years from now)?

Yes No

c. Are your different customers/buyers willing to pay prices for your products that allow you to make a profit?

Yes No

Direct customers?

Yes

No

Wholesale customers?

Yes

No

d. If retailing direct to your consumers, are the demographics in your market area moving toward a favorable trend for your business?

Yes No

e. If wholesale, are the buyers of your product operations profitable, and progressive (updating facilities, taking more product, researching and developing new products)?

Yes No

f. If wholesale, does the customer have a good business reputation, and do you agree with the customer's business philosophy?

Yes No

2. Consumer Assessment: To understand the marketplace, it is important to understand consumer preferences (the final buyer at the retail outlet who consumes or uses your product) and behavior related to purchasing apples. Answer the following questions related to your consumers.

- a. What is the demographic (characteristics of the population) profile of your apple consumers for the different market segments you produce for and sell to (i.e. fresh, sauce, canning, slices, and juice etc.)?**

- b. What apple characteristics (i.e. color, size, varieties, type of pack, and use) are important to those consumers?**

- c. What are the projected changes in consumer lifestyles and characteristics in your market area? How do they influence your markets?**

3. Marketing Channels Assessment:

- a. What are the current marketing channels that you use (i.e. fresh, processing, direct marketing, restaurant/foodservice)?**

- b. What are the sizes and potential growth of those markets?**

- c. Who are the competitors in those markets, and what are their strengths & weaknesses?**

- d. Who are the potential partners with whom you can build that will enable you to improve and sustain your competitiveness in those markets?**

- f. How will those markets change in the next 3-5 years?**

4. Marketing Skills Assessment:

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|---|-----|----|
| a. Do you or someone in your farm business have the necessary marketing skills to serve the market channels you use? | Yes | No |
| b. If selling direct to consumers, do you have the people, promotion, knowledge, and pricing skills needed to operate a successful retail business? | Yes | No |
| c. If wholesale, do you have the communication skills and resources necessary to negotiate with, and meet the quality and production demands of the buyers? | Yes | No |
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5. Location Assessment:

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|---|-----|----|
| a. Do you have a suitable location for your market channels?
<i>i.e. A good retail location or access to good retail markets for direct marketing. Close to other farm markets. Close to a fresh market shipper/packer or a processor.</i> | Yes | No |
|---|-----|----|
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6. Product Assessment

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| a. Do you have the products most in demand by the customers in your market channels? i.e. Adequate volume, quality, varieties, product mixes, and sanitary requirements. | Yes | No |
| b. What are the marketing or product advantages for the market channels you use? _____ | | |
| <hr/> | | |
| c. Are these advantages sustainable? | Yes | No |
| d. Can your region grow fruit varieties that are currently in demand, or have potential for future demand? | Yes | No |
| e. Are these advantages sustainable? | Yes | No |
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7. Financial Resources Assessment:

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|---|-----|----|
| a. Do you have the financial resources necessary to keep your markets, enter new markets, modernize your operation to meet your customers' needs? | Yes | No |
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Marketing Planning Summary

Refer back to your responses to the questions in this section and complete this summary.
List below the areas for improvement in marketing you have identified.

Marketing Areas for Improvement
1.
2.
3.
4.



