Fact sheet: Marketing

Marketing is the process of attracting and retaining satisfied customers. The primary focus of marketing is identifying target customers, and satisfying those customers’ needs. Developing a product is only one step in a long process. Marketing is designed to help sell that product through building relationships with customers and business partners. Building these relationships requires focusing on your personal motivation and objectives in starting a natural resource enterprise, identifying whom your potential customers are, and determining what these potential customers want. The key step to successful marketing is meeting customers’ needs at a profitable sales volume.

The importance of marketing

Identifying potential buyers and a strategy to reach them is necessary to selling a product or service. Marketing must occur before production, to ensure that products will be purchased and profit can be made. Production decisions should consider what the market is able to accommodate at a price that is acceptable to the seller. Natural resource entrepreneurs operating small-scale enterprises in niche markets should pay close attention to all parts of marketing, as their marketing budgets are typically limited. Small-scale producers have greater opportunities to engage in direct marketing, where the producer interacts directly with the buyer. This person-to-person connection can add value to a product and may increase the producer’s share of sales per unit sold. While direct marketing may not be as formal as paid advertisement, it is an important component of a marketing strategy, especially for small-scale producers. Interacting directly with buyers can be challenging, and requires a positive attitude, patience, knowledge about the product, creativity, and sales expertise.

Market development

Producers can access and create markets in several ways. Market penetration occurs when producers increase their current product to meet expanding market needs as a result of new customers or increased consumption among existing customers. Market development is identifying new uses or new markets for an existing product. Product development is the creation of a new product for an existing market. This product should address an unmet market need, such as a higher-value or locally made product. Diversification is the creation of new products for entirely new markets. To determine which of these market access strategies is most appropriate will require reflecting on the type of natural resource enterprise you are going to create. Evaluating the feasibility of running a natural resource enterprise should include a reflection on the goals of the business, the time commitment required, potential customers and marketing resources, and the availability of labor, physical, financial, and informational resources.
Market research and analysis

Market research and analysis are important for gathering information to help you plan for marketing, production, processing, packaging, distribution, and sale of your potential product. Information on the market in your area can be gathered from many sources and can help organize your marketing strategy. Finding information about shopping habits, lifestyle trends, demographics of the region, and marketing trends will provide a general overview of the market. To target a more specific group of buyers, you will need to consider the traits of potential customers, including demographic characteristics (i.e. age, gender, income-level, location), as well as personal value characteristics (i.e. beliefs, attitudes, social status). Understanding the size of your potential customer base and competition are important in planning appropriate marketing strategies and tools. Ideally, your business would address customer needs that are currently unmet and focus on markets that you can serve most effectively. Serving these markets will require a clear understanding of the quantity demanded and the quality required in the existing market. As a producer, you must be able to provide the market with a consistent supply. Without a grasp of your production capacity and consumer demands, it is difficult to provide adequate product on a regular basis, which is necessary to acquire and retain customers. Buyers need to know that they can purchase your product easily and can expect consistent quality.

Customer service

Bringing in and retaining satisfied customers is at the core of marketing. This means that customer service must be a major priority. Consideration should be given to incentivizing all employees and individuals affiliated with the natural resource enterprise, to provide excellent customer service and keep customers coming back. In natural resource enterprises niche markets, where direct customer contact is common, the owner has opportunities to engage with customers and make a good impression with every sale. Marketing and customer service are about creating connections with individual customers that encourage them to return to your business.

Marketing specialty forest and natural resource products

Specialty forest and natural resource products, such as non-timber forest products, high-value food crops, or handcrafts require extensive marketing. Marketing can help identify target markets and strategies to attract potential customers. Some specialized products are highly perishable, meaning that viable markets must be identified before beginning production, otherwise valuable product may go to waste. Transportation and storage of highly perishable products are often more expensive and involve greater risk. Specialty products often have small, highly specialized markets with a limited number of buyers. This can require specific knowledge about both production and marketing. Given the small market size of many specialty products, producers may be unwilling to share information about their product, processing methods, or markets with new producers. Production and consumption of specialty goods may be seasonal, meaning much of the production labor will occur in a short time frame and products may need to be stored for months.