

RELATIONSHIP MARKETING

Joel Salatin, Polyface Inc.

Polyface uses essentially three marketing venues: farmgate, restaurant, and metropolitan buying clubs.

1. Farmgate. Accounts for 25 percent of sales. Twenty years ago, this was 100 percent of sales. Although the farm is not located on a thoroughfare, the quality was good enough to bring them out on a dirt road.

To start, make a hit list of 50 people, give them samples, and 25 will become customers. This list would include anyone with whom you have a relationship: your doctor, family, neighbors, friends, church or civic club acquaintances, fitness center staff, children's teacher, auto mechanic, banker, etc.

This venue develops through:

a. Examples. Always give samples of product to anyone who asks, especially if they are dubious about this new kind of food.

b. Education. Develop info-rich materials, brochures, speeches, power point presentations, anything to get your message across. Civic clubs are always looking for interesting programs for their monthly meetings, and one devoted to healing the planet with good, local food is sure to catch their interest.

c. Evangelism. Reward customers who spread the word about your product. Word of mouth is still the best and most effective means of advertising.

2. Restaurants and institutions. The advantage is the consistent volume. Disadvantage is they are often picky and food police constantly lurk around these establishments. Not much fudge room for pushing the legal envelope. Chefs love new food mediums to sculpt--they will always welcome you for a demonstration of your product. Just pick up the phone and make an appointment.

Insurance is probably the single biggest hurdle with larger customers. And when you step up to colleges and more institutional venues, they generally require products to come on a national distributor truck, like Sysco or U.S. Food Services. Aramark and all of these distributors require \$3 million product liability insurance. Polyface accessed these venues through its slaughterhouse.

3. Metropolitan Buying Clubs. Perhaps the biggest hurdle facing the clean food movement, after food safety and production laws, is efficient distribution. Although local

food does not travel as far as industrial, the volumes make cost per pound higher. Farmers' Markets are wonderful, but they are speculative, often politically charged with rules and regulations, and require the farmer to leave the farm.

MBCs have now been duplicated in many areas with great success. Using internet sales techniques, customers place orders, which are then delivered to a pre-arranged drop point in the urban area. This takes away speculation and allows customers to cherry pick from the farm's entire inventory.

It eliminates the politics of farmers' markets and is truly marketing under the radar. Customers enjoy the relationship with the farmer that they don't receive at organic supermarket venues. Prices can generally be lower than organic-type supermarkets due to product distribution streamlining. Customers pay a delivery charge that allows the distribution to be spun off as a stand-alone subcontracted service, leaving the farmer free to spend more time farming. Since a full delivery vehicle is key to profitability, these models always escalate to neighbors, to add complementary products for more volume and more customer choice.

All in all, relationship marketing is about developing friends who become customers, turning customers into friends, and loving people.

www.polyfacefarms.com

Joel & Teresa Salatin
43 Pure Meadows Lane
Swoope, VA 24479

Tel: 540-885-3590