

# Fact Sheet # 23 Your Market Potential



## Market Analysis: What is my target market?

Begin market planning by clearly identifying the market you want to target. Note that this may or may not be the market you are working with now. The idea here is to think creatively about your product to determine what set of customers will give your business the cash flow, profit and growth it needs.

Start with a brief description of your product as currently conceived.

Next, consider:

- Who will buy my product?
- Why will they buy my product?
- What will they pay for my product?
- Where do they expect to find this product?
- When will they want to buy my product?

When you are finished, step back and consider what you have learned. Write:

- A brief, focused description of your target market.
- Which aspects of your business need to change in order to attract this market.
- A list of what is involved with making needed changes.

## Product Development

### What am I going to market?

Now that you have a clear idea of who your customers are and what they want, how does your product meet their needs? Think about what you need to do in order to enter your target market. It is helpful to come up with:

- A creative, market-informed description of your product.
- A concept of how you will make your product meet the needs of your end consumers and attract customers while being competitively priced and profitable.

At this point, you may wish to consider specific packaging ideas. The Massachusetts Department of Agricultural Resources [website](#) has Massachusetts-specific logos available to help farms brand their products as “locally grown.”



## Buy Local Campaigns in Massachusetts



### Market Positioning

**How does my product satisfy the needs of my market better than my competition?**

How you position your product in the mind of your customers determines how the product is perceived. Positioning is a strategic component of marketing. It ties together information about your product, your market, your competition and your industry. You can distinguish yourself on the basis of the needs you fill, the services you provide, the

distribution channels you use, or the pricing strategies you employ. Think about your product from the perspective of your customer and that of your competition. Your task is to figure out how to make the customer choose YOUR product.

Competitors can either be direct (offering the same product) or indirect (offering a product that might substitute for yours and vice versa). Some competitors may be local, while others could be national or international chains, or even internet-based sales. Finally, remember that you can form alliances with competitors in some situations – keep an open mind!

When your research is complete, take the time to summarize your findings into a position statement of 50 words or less that answers two questions:

- What business am I in?
- Why will the market want my product rather than that of my competition?

## Market Connection

### Wholesale versus direct marketing

Direct marketing (Fact Sheet #26) requires a high level of personal skills to sell product directly to the consumer, but allows the farmer to take home the total sale value of the product. Wholesale marketing usually means that farmers sell their product to intermediaries: businesses that warehouse, transport and sell farmers' product. This option often works best for moving larger quantities of product, or for those who do not enjoy engaging directly with customers. Wholesale marketing still requires building relationships and salesmanship of your product..

**Brokers or middlemen** are a key component of a wholesale marketing strategy. How a broker warehouses and distributes products, how it targets consumers, and how it features and merchandises goods all define its particular set of needs and results in buying criteria. To be an effective marketer, producers need to identify and understand the differences among brokers and market their products accordingly. No single marketing program works for all markets. Research the following:

- What will it cost to reach each potential market segment?
- Where can my business reach the best market at the least cost?
- Which market and channel options should I develop now?
- What distribution channels are best suited to my product, customers and business?
- What are the costs and benefits of this channel?
- What will it take to sustain market/channel connections?

### Keep In Mind:

- Product quality is the key to your success. You may want to try your products out on friends and family to learn what is most popular and what you will need to improve upon before going to market.
- It is good to have many different marketing strategies and to think about what will happen if your first marketing strategy does not work.
- Your plan needs to work for YOU: your needs, goals, and financial situation. It may be quite different from those of your friends and neighbors.
- Marketing involves promotional activities, including advertising, posting signs, giving out samples, providing demonstrations, etc. Consider how much time and money you have available to invest in marketing before you carry out your plan.
- Markets (and your needs) change over time – be prepared to change your strategy with them!