



CHAPTER 2 Wholesale Marketing

Marketing to wholesale buyers

Let's go over the basics of marketing your business to wholesale buyers. We also recommend ways you can begin finding wholesale buyers and show you how to develop a brand package for pitching your business.

Positioning

Marketing to wholesale buyers is unique, but not so unique that the tried and true, proven marketing principles won't work. It's important to address the **three keys to marketing success with any marketing**. These keys are first defined in our book <u>Ready Farmer One: The Farmer's Guide to Selling and Marketing</u>, co-written with our friend Diego Footer.

To effectively market your product, you'll need answers to these questions:

- What is your unique selling proposition?
- Who is your primary customer?
- Where/how can you reach them?

The goal of marketing isn't to convince people to do something. The goal is to show them how you can solve a problem for them. If you can do this at a price they consider to be fair, then there's a good chance you'll gain a new customer.

1. What is your unique selling proposition?

If you don't know why your product is unique, neither does your customer.

Like it or not, a great product can't make up for poor marketing. With more choices than ever, why should a buyer choose you?

This concept is your **unique selling proposition (USP)**. A USP is more than just about your product. Why should someone buy from you? It's about your story, your brand, communication, delivery areas, payment terms, packaging, pricing, reliability, etc. A lot more goes into it than just the product!

Before you do any marketing, you must define your USP. A good USP:

- 1. Makes a proposition. "This product will give you this benefit."
- 2. Stands out from the competition.
- 3. Applies to your customer base.

A USP promises a benefit to the customer. Buy this product and you'll get this benefit. Beyond the product itself having the benefit, maybe the USP is you! Some examples could be:

- "We offer next-day delivery"
- "We have a strong brand following"
- "Our products are available for a longer period."

Point 3, "applies to your customer base," is essential. It doesn't matter what you think your USP is if it doesn't apply to what your customer cares about. When selling to a grocery store, your USP might be grass-fed beef. We can offer you local grass-fed beef you are currently not offering to your customer base. This might be a problem this customer has, and your product offers the solution.

When defining your USP, highlight what your customer values, not what you value. You also want to avoid industry jargon (if not relevant to your customers) and subjective statements. "We sell the tastiest beef."

2. Who is your customer?

Wholesale covers various buyer types, including grocers, distributors, restaurants, schools, and food service. Not all wholesale buyers are the same – so be sure to define your ideal customer personas.

A customer persona is a fictional profile of your different types of customers. They are a researched model of your target customers and behaviors. You can even give them names, images, etc.

If you had to describe your dream customer to a friend, who would they be?

Building customer personas can help answer some questions like how you will connect with your customers, what USPs they are looking for, and help you build a strategy to go out and get them.

When building customer personas for wholesale buyers, it's important to make a note of the specific person you're actually selling to. Yes, you're selling to the whole

business, but there will also be a specific person at that business who makes the purchasing decisions. For restaurants, you are selling to the head chef or sous chef. For a grocery store, you sell to the category manager (ex: produce, butcher, dairy, etc.). For food service, you are working with the relevant category manager on the procurement team.

For each customer type, define the person you would be selling to. Then, review a list of questions to build out that dream persona. The more granular you get with your personas, the more targeted you can get in your marketing strategy.

Get our list of customer persona questions!

3. Where can you reach them?

How do you reach your dream customers? The more granular your customer personas, the better you will become at selecting the right marketing channels. There is no use spending time and energy on a marketing channel that does not reach the right customers!

Finding wholesale buyers

This section will suggest a few options for finding buyers in your area.

Start in the off-season

You want to start conversations with wholesale buyers in the "off-season" if you have one. At a minimum, try to begin discussions in the fall when they begin their annual planning for the following year. If you contact them too late, you may have missed your window for the coming year.

Use social media for scouting

Many local businesses will have social media accounts to market their businesses. Use social media, such as Instagram, to look at different restaurants, cafes, hotels, and local grocery stores to understand what types of products they sell. You'll get a sense of their menu, which other businesses they work with and get a general glimpse of their business.

The Instagram scout

Hilary Papuchis from Hildan Produce, found the best way to use Instagram for her business. Operating as a microgreens farm in Washington, DC, Hilary knew selling to restaurants would be a significant sales channel. To find chefs to sell to, she turned to Instagram.

During an interview, she says: "I go and scout businesses on Instagram. I go to their profile and see what their plating looks like. I can instantly tell if they're using microgreens or if they're not. If they are, I ask, 'Where are you getting this from? Are you happy with the consistency?"

Through direct messages, she'll introduce herself and share her profile, including beautiful pictures of her microgreens and farm. This has resulted in many new restaurant customers.

Create a list of all businesses you want to sell to in your area. You can use your Local Line account to add your list of prospective customers. Direct messaging might be the best way to reach out and introduce yourself.

Kate Estrade, who runs a local, farmer-run grocery store, <u>Laughing Buddha</u> <u>Nursery</u>, near New Orleans, has grown to over 40 vendors in the past few years. Initially, she actively sought out sales relationships with farms in her area. Now, as her business grows, farms and producers approach her.

"Recently, a producer near me reached out on Instagram about her frozen biscuits. She mentioned she had been following us for a while and wanted to send a few packages to test out at our store. I would have never thought to sell ready-made products in our store, however, now they're one of the most popular products we sell! My customers love them." shares Kate.

Social media can be a great tool for scouting local businesses in your community and starting communication with potential buyers.

Visit the buyer

In addition to leveraging websites and social media to find prospective customers, making an in-person visit to the actual location is another great way to scout.

In an interview conducted by the <u>Cornell Small Farms Program with Dave Corsi,</u> <u>Vice President of Produce and Floral at Wegmans Food Markets</u>, Dave says the most important part of forming connections is visiting the actual store. He says they often have growers approach them, saying, "Our products would be great for your store." He simply asked them, "Well, have you ever been to a Wegman's location?" and he often found the answer was no.

Visiting the location gives context to what they're selling, whether they have a local food program (especially for larger retail chains), and whether your product fills a gap in their current offering. Maybe you:

- Offer a local option for products they import.
- Have a local product that is available for an extended season.
- Offer a product they don't currently sell.
- Offer a better version (fresher, better quality) than what they already have.

You might also be able to form relationships and connections with business owners in person. Introduce yourself, share your story, and make your pitch.

Local networking opportunities

Leverage your local network. Check for any local agricultural conferences, trade shows, and events in your area. These events bring together producers, food service distributors, restaurants, grocery retailers, and more. Depending on the scale of your business, trade shows can be a great option. Note that trade shows have a higher marketing cost than other marketing strategies. Costs include but are not limited to registration fees, marketing materials, travel costs, samples, etc.

Interested in attending trade shows? Here is a great step-by-step list for preparing for a trade show.

You can also find a list of national trade shows here.

Outside of organized events, leverage your farming network by connecting with fellow farmers, organizations, or co-ops in your area. Many organizations and associations help farmers network with other farmers and industry professionals who may have contacts with wholesale buyers.

Government programs

Check if there are any government-funded programs working towards connecting local food to institutions. Here are some examples:

- California Farm to School Program
- <u>National Farm to School Network</u>

Think outside the box

Selling wholesale doesn't have to only be about restaurants and grocers. There are lots of other wholesale buyer types, including:

- Meal box services, i.e., HelloFresh, Sun Basket, Blue Apron, Thistle, SoCal Fresh
- Home grocery delivery services, i.e., <u>GoodEggs</u>, <u>GreenCrate</u>
- Meat box programs, i.e., Butcher Box, The Larder Meat Co.
- Hotels
- Schools and universities
- Catering
- Food trucks
- Hospitals

Sell sheet

When selling wholesale, you need to have a sell sheet. A sell sheet is a piece of paper that quickly describes all the information a buyer needs about your business. A good sell sheet can be a helpful asset when pitching to different wholesale buyers.

If you sell to multiple buyer types, your sell sheet might differ depending on your fulfillment, pricing, and what that buyer is looking for. For example, a chef's sell sheet will be different from a grocer's.

In general, all sell sheets need:

1. Contact information

Who does a buyer need to contact to make an order? Include a name, phone number, and email address. Including a website with more information about your business can also be helpful.

2. Photo of product(s)

Product photos are needed for selling! Buyers want a visual whether you sell a processed product (i.e., yogurt, jams, or bread) or a raw product (i.e., meat or vegetables). The first meeting you may have with a buying team might not be the final decision-maker. Samples are important for meetings – however, the sell sheet might pass through a few hands before ordering.

Here are a few tips for product photography:

- Can you incorporate your USP into the photo?
- What is important to your customer?
 - For example, if they are a natural grocer, how can you convey this in a photo?
- Will you take photos of cooked or raw products?
- Pick the best subject.
- Let your branding shine through.
 - Your brand is an important part of your business. Ensure that the photos' backgrounds and aesthetics represent your brand. For example, if your brand has a retro feel, you might not want your photos to have a modern background.
- Decide whether to use natural or artificial lighting. You want to avoid taking photos in low-lit conditions.

If photography is not your strong suit, working with a food photographer might be worthwhile. They can take your vision and actualize it into high-quality photos. This will be a one-time investment but will provide you with assets you can use on your sell sheet, website, and social media.

3. Product line

If you sell multiple products, include the entire product line on your sell sheet. For example, if you sell jams, name all the jam flavours you sell. If you sell lamb and pork – include all the cuts and other products you sell (i.e. chops, sausages, bacon, etc.).

Only add products that you can fulfill at the quantity the buyer is looking for i.e. you have large production of one product but limited of another. Listing all your products is a great sales tactic to increase their order; however, you do not want to promise something you cannot fulfill.

4. Customer testimonials

Social proof is the best form of marketing. Adding customer testimonials to your sell sheet is always a good idea. Leverage reviews posted on Facebook or Google. If you don't have any reviews, ask your long-term customers if they would be open to writing a short testimonial for you. You can offer them store credit as a thank you.

Add 2-3 short testimonials to your call sheet.

5. List of distributors (if relevant)

When just starting, you may do fulfillment in-house. If you are working with distributors, add them to the sell sheet. Wholesalers will want to know who you are working with as they may already have a relationship with this distributor.

6. Ordering details

Outline how the ordering process works for your business. Provide any information that is important for the buyer. Keep it short and sweet but informative. How often do you do delivery? What is the order lead time? How do you sell the products (i.e., package size)?

<u>Note:</u> When working with a new buyer, being flexible with the pack size may be advantageous. If it is the first time they are stocking your product, they may not want to order a huge case to start. Being flexible with the first order provides less risk to the buyer.

7. Product description and pricing

Provide a short (2-3 sentences) summary of your product. Include your USP, the history of the product, and any other information you deem necessary. Also, be sure to include the wholesale pricing. The next question a buyer will most likely ask is: how much does it cost?

9. Brand story (optional)

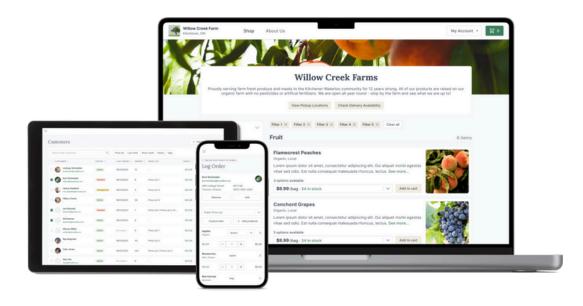
An additional section you can add to your sell sheet is your brand story. Retailers especially appreciate the story behind a product they can sell to their customer base. If your business has a unique story – be sure to include it!

For example, you could add a second page titled "Meet the Farmer". This page includes a picture of the farm, your team, and a short bio outlining the history of the land and your practices. If the buyer decides to stock your product, they could provide copies for customers.

F Here are templates for sell sheets on Canva to get you started!

Start Selling with Local Line Today!

To support you in your wholesale selling journey, consider <u>Local Line's all-in-one</u> <u>farm e-commerce platform</u>. Local Line is an easy-to-use software tool for farmers to connect with local buyers, such as restaurants, schools, hospitals, and businesses looking to buy wholesale from local farms in their area.



Try selling online with Local Line today. We can get you up and selling online within an hour.

Sign up here today!

Happy selling! The Local Line team

<u>localline.co</u> info@localline.ca @locallineinc