

Beefing Up Your Marketing Plan:

Making sure yours is still relevant

BY NICOLE KLIMEK AND JOY RUST

As competition creeps up to #1 on the “food co-op worry list,” many co-ops find themselves wondering how they can combat declining sales while not investing an arm and a leg in store labor and operations.

Taking a look at the changing marketplace, we notice that many of the major players in the natural foods industry have taken to strengthening their marketing plans. Whole Foods launched its first-ever nationwide marketing campaign, Kroger is aggressively using price cuts to target organic food shoppers, and Fresh Thyme is taking a stronghold in smaller communities with its “give normal folks better options” campaign—in the next five years they plan to open 150 stores in the Midwest alone.

Don't have a plan? Get one!

Not only has the natural foods industry changed, business as a whole has changed. People used to be able to start small businesses with little preparation and almost no marketing except word of mouth. Quite a few co-ops opened their doors back in those days. But as business changes globally, so do the tactics and strategies we follow.

Is your marketing plan relevant and up to date? No? Then it's time to invest in creating one, so that when you meet competitors you are prepared to blow them out of the water.

One of the first questions we like to ask is: “How long do you think a marketing plan is good for?” We get answers that range from three to five years, all the way to 10. The answer, fellow cooperators? ONE year.

Upon saying that, we can practically hear snorts and “Yeah, right!” coming from the peanut gallery. But we're serious—for a small business, this is the best way to look at marketing—and unless you are a co-op with over \$7 million in annual sales, you are categorized as a small business. Those co-ops doing over \$7 million can stick with a year also, but they can do a lot more work addressing the medium-term future of two to four years down the road.

A marketing plan is not something you can create in two days with a round-robin approach. And it's not a mere three pages in length. Large companies have plans that are hundreds of pages in length, and yours should take you a couple of months to write. Developing this plan takes a lot of heavy lifting and requires a lot of research, so don't worry if it takes longer than you expected and requires outside help.

Key players and components

You can't create a successful marketing plan without getting many people involved. No matter your size or location, you need to include representatives from departments such as finance, human resources, department leads, and others, because it will take all aspects of your co-op to implement the marketing plan. The tricky part is making sure everyone stays focused and on task.

Being prepared will actually save you money—in the form of labor hours and the amount of coffee you'll have to serve attendees after hours of go-around. Here is a short list of must-have items for writing the co-op's marketing plan:

- organizational chart (unless you have fewer than six employees);
- target markets and product standards;
- marketplace knowledge—product and demographic trends, types of customers you sell to, and a full competitor analysis;
- financial reports (the past three years is fine);
- a good idea of what your staff wants to see happen with the coming year's marketing plan;
- SWOT (strengths, weaknesses, opportunities, threats) analysis, of course!

Objectives and goals

What marketing objectives do you plan to reach over the course of the plan? Some typical objectives are:

- offer more products (local, organic, clean, etc.);
- become more price-competitive;
- regain market share (from Whole Foods, Kroger, Meijer, etc.);
- gain new members (from lower-income neighborhoods, millennials, or tourists).

Make sure you limit the number of objectives to what your co-op can reasonably attain throughout the year. After you narrow your list down to five or six attainable objectives, add a bit more detail, such as:

- increase purchases from local producers from 14%–23%;
- become more price-competitive by reviewing margins in detail and being strategic with purchasing.

After you have your objectives clearly laid out, you can spell out how you're going to make them happen. This gives more detail than what you addressed in your objectives—the objectives are the “why” and the “what,” while the goals are the “how.”

Building off the previous objectives:

- Because our owners and regular shoppers have asked on multiple occasions, we are going to offer more local products by increasing our local producer purchases from 14 percent to 23 percent. We will adjust our product standards to include “regional” into our product-sourcing radius.

Often the goals are quite long and detailed—don't hesitate to elaborate!

Time and money

There of course need to be timelines or projected dates. We like to use short-term and long-term timelines. The short-term timeline should cover 6–12 months, and the long-term timeline should be for more than 12 months. After you have implemented the short-term timeline, you may notice certain areas that are going to affect the long-term timeline—say sales went up 15 percent when you expected only 2 percent. If one of the goals on the long-term timeline is to increase sales by 15 percent, you can check that off.

Surveys

Surveying your customers and owners provides you with more data points to use in your marketing plan and also provides you with qualitative>

Committed to co-ops.

(From 20 years of design partnerships—to our personal grocery shopping lists—we're never far from co-ops, and that's the way we like it.)

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How long is a marketing plan good for? The answer: ONE YEAR.

information. Shopper surveys give insight into how customers perceive and utilize the co-op and how they feel about other grocery stores, your competition. Your marketing plan should not only address data, but also include a plan to increase the co-op's importance in the community.

If you have never implemented a shopper survey at your store, you can rely on customer comment cards, staff feedback on customer experiences, peer and expert feedback, and other public communication channels—but conducting a shopper survey would be a good goal to add to your marketing plan if you have not completed one before. Including a store SWOT analysis and brand analysis of your competition are important pieces to include in your marketing plan.

It's best to conduct surveys about six months before you plan to write your marketing plan. You don't have to do this yearly—that's a lot of work! But every two to three years is perfect for gathering data. You hope your owners have noticed changes from the last survey, and you can gather data on how those implemented plans affected the shoppers.

You already have a marketing plan?

Good for you! How old is it? Let's make sure it's still relevant. The updating process will be about the same as creating one, but it won't take you as long. The truth of the matter is, even if you wrote your plan two years ago, things change so rapidly in the marketing world that the few changes you've seen can make a huge difference in the relevance of your current marketing plan.

Let us add that no plan is perfect. Apple reviews its plan. Whole Foods reviews theirs monthly. Reviewing your marketing plan should be scheduled—just like your taxes!

Reviewing

Not every aspect of your plan needs to be reviewed every year (cue the time and money section!), so make sure you know the areas you want to focus on. Whether it's failed promotions or steadily declining sales, there is always something to tweak in your marketing plan. But how do you know what sections to review? Use benchmarks, my friends. If you see a variance in your normal benchmarks, it's time to dig a bit deeper.

Can you trace the decline in sales to shrink? Samples? Returns? Deli purchases? Has the dollar value of your average owner purchase changed?

Which marketing activities are working? Which are working? Can you pinpoint which elements are falling short: Are demos not converting to sales? Are samplings converting to sales?

Are memberships increasing? Have you broadened your target market?

Once you have answered these questions, you can tweak the marketing plan to accommodate the shift and move on. Make sure you don't skip any of the steps to pinpoint where you're falling short—you have to know what is and is not working before you can fix it.

At Common Ground Food Co-op, Joy Rust always revised their marketing plan at the same time that she did the annual budget for the following year. This way, the plan was tied to reality. If a marketing strategy to increase sales is to strengthen our in-store brand and improve the shopper experience, this would need to be reflected in the budget. Prioritizing and allocating capital is part of a good plan.

Once you have gathered and analyzed data, honestly listened to your customers and community, and gauged the marketing budget, it is time for you to write out measurable goals. Once you have finished your plan, refer to it often and share it with managers (in depth) and staff.

Sometimes a curve is thrown your way, and your goals need to be re-evaluated. Make sure the decision to shift a goal has been well-researched and that the marketing plan is officially updated.

The first marketing plan is a lot of work, but for the following year you will be off to a good start. Update your data. What has changed? Why? How can marketing be the solution to a thriving and resilient co-op?

Bringing it home

To be honest, implementing your renewed marketing plan is the hardest part. People in general are awesome at generating good ideas but have more trouble putting them into action.

Setting manageable dates on a visual timeline is helpful. Have meetings when goals are achieved and monthly huddles to go over the strategy, keeping it fresh in everyone's mind: What have you done to implement the plan? How have you strategized internally and in your department?

Competing is hard for everyone—Whole Foods Market, Kroger, and Co-op alike. But let's give our co-ops a better chance at coming out ahead by doing what we do best: connecting with our owners and communities. □