

## HOW TO MARKET WASTE DERIVED COMPOST

by

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Today, more than ever, individuals are asking the key question "How do I market compost?" Like composting itself, many factors influence the development of a successful compost marketing program. Compost is undoubtedly a more difficult product to market than other recycled materials such as; aluminum and glass. This is found to be the case for several reasons. The first being that compost produced from organic waste materials (sludge, municipal solid waste, leaf and yard waste) are heavily stigmatized. Many individuals do not simply see these materials as recycled products, they are concerned because of the feedstock from which they are produced. Also, unlike other recycled materials compost has not been marketed as, or considered a commodity. Compost is also commonly marketed to a large number of small users and not a small number of large users, like other recycled products.

In order to change the way individuals perceive our product, we must first change the way we perceive them. We in the compost industry must not consider ourselves waste handlers, instead we should see ourselves as product manufacturers. And like any product manufacturer, we must produce a product which meets the needs of our customers.

When discussing compost marketing, we should note that the word "marketing" infers that our product has value and can be sold to generate income. Producing compost only to give it away may solve our short term situation, but it does nothing to improve the long term viability of our program. One of the greatest factors in developing a successful compost marketing program is having a high quality product to market. The compost process must be understood and it must be carried through to completion. In order to guarantee return business from established customers, a quality product must be

produced and its consistency guaranteed. To achieve this goal, a product specification should be developed which outlines the chemical and physical characteristics of your product. This data will be essential to your customers, it will allow them to properly utilize your product. The characteristics of each compost product helps determine what it can best be used for and in which markets it can most easily be sold. For example, an unscreened municipal solid waste compost which has a great deal of inert material in it (i.e. plastic, glass) would no doubt be unsuitable for homeowner use.

To successfully market your compost product it is important to thoroughly understand it, your customers needs and the industry itself. You must understand and be able to discuss the benefits of using your product. To convince others to utilize your product, you must understand its characteristics, its best applications and how it works (chemically, biologically, and physically). It also helps to understand the green industry and have a technical background which will enable you to answer use related questions. Because of the feedstock used in the production of our products, it will also be essential to understand the health and safety concerns surrounding its use. In a recent market study performed by our company, approximately 90% of the potential customers interviewed expressed concerns about health and safety issues related to product utilization. You will find that the education of your potential customers is of the utmost importance.

The development of a marketing plan will also be helpful and may be developed as part of a contracted market study. The plan should determine target markets, outline distribution channels, create a pricing structure and designate your geographic marketing area (target market area). Whenever possible, localized markets should be developed. They will prove to be important as more composting facilities are constructed. The types of customers which you market your compost to will depend on your products quality, the number of potential customers in your area as well as the technical expertise of your marketing staff. For example, the growers of ornamental crops have shown substantial interest in utilizing, and paying a substantial price for, high quality compost products.



However, to tap into this market you must produce a high quality product and have the technical expertise to assist these customers.

Compost can be distributed through many channels. It can be marketed directly to homeowners, to green industry professionals, or to product blenders. It can also be marketed through a series of distributors or product brokers. The decision of whether your product should be marketed directly to end users (using in-house staff) or marketing through brokers/distributors is a critical one and must be carefully considered. By marketing direct, the responsibility and control lies in your hands. Higher revenues may be generated, but higher costs will also be incurred. By marketing through brokers or distributors, a specialized firm with trained staff may be employed and held accountable for marketing the product. Lower revenues will be generated by the producer if a broker is employed, however less expenses will be incurred.

The product may also be marketed in either bulk or bagged form, and may be blended with other materials to make specialized products. By distributing the product in bagged form it will be easier to market to homeowners and can be sold at a higher price per cubic yard. However, higher upfront costs will be incurred, for machinery, labor, etc. The production of specialized blends or product mixes may help you expand your marketing efforts by being able to market more than one product, but once again greater upfront costs will be incurred. Regardless of the form in which the product is to be marketed, you will need to supply technical literature along with it. The literature should explain how the product is best used and outline any other pertinent information necessary. The information presented in your literature should be based on research performed on your product and should be specific for each type of end use or end use market.

Marketing compost (or any product) is not an exact science, there is no one formula which works in all cases. However, specific suggestions can be made which will help you improve the marketability of your product and improve the success of your program.

1. Obtain access to equipment used for spreading compost. This equipment may be rented or lent to your customers.
2. Get involved with high profile projects. Working with high profile, visible projects will increase the exposure and prestige of your product.
3. Work with industry known innovators. These types of individuals are usually greatly respected and are monitored by other companies in the industry.
4. Develop a test area where the product may be demonstrated to potential customers. This type of "show place" can be developed on the premises of the compost facility itself.
5. Develop a sales staff which is well trained, believes in the product and is hard working. The larger the volume of compost which must be marketed, the larger the sales staff must be.
6. Develop name recognition through positive market exposure. It is not only important to develop a products name (logo), but also a positive reputation to go along with it.
7. Create product visibility through utilizing advertising. Appearing at trade shows and using advertising methods which are specific to target market groups will be necessary. Usually, the greater the volume of product to be marketed, the greater the advertising budget necessary. Advertise smart, it is expensive!
8. Build positive public relations, especially within the local area. Whenever possible, work with local groups and integrate your program into the local community.

In developing a compost marketing program, the need to produce a consistently high quality product should never be underestimated. Understanding the market and industry you're selling the product into and the needs of your potential customers is also essential. Large markets for our compost products currently exist, but they need to be developed. We must do what is necessary to develop these markets. As more compost is produced, it is obvious that manufacturers will have to supply more than just a product to keep their customers happy.