

Compost Product Marketing

Compost sales and marketing veteran shoots straight from the hip when it comes to top lessons learned on how to develop a robust and reliable revenue-generating program.

Ron Alexander

DEVELOPING a long-term, revenue generating compost marketing program has proven to be the key to success for many composters. A successful marketing program increases revenues, while improving the efficiency of a composting facility's operation as unsold product doesn't build up on site. The inner workings of a successful program are still viewed as a bit "mysterious" — just like it was when I entered the composting industry almost 25 years ago. Obviously, a successful marketing and sales program is anything but a mystery, but it can be confusing to those who don't work in this venue.

Having operated a compost marketing company for several years and worked with probably 200 composters on three continents, there are some important lessons that can be learned from successful (and not so successful) composters when it comes to marketing and sales. Here are some of those lessons.

#1 QUALITY IS KEY.

It used to be stated that "high quality composts sell themselves." And although I cringe every time I hear this adage, there is no doubt

that a key to succeeding in long-term compost marketing (really, the marketing of any product) is manufacturing a consistently high quality product. Even with seasonal fluctuations in feedstock, most composting facilities can produce a surprisingly consistent product. This is why ongoing testing of the product is essential. If composters are to state that their product possesses certain characteristics and that it is consistent, they



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must have the analytical data to prove it. One of the reasons why it is so important for the composting industry to promote product quality is that compost is often compared to other bulk materials businesses "at their worst" (e.g., customers receiving

less aged mulch in the late spring or weedy soil).

Producing a quality product must start with controlling and monitoring the production process — and not taking short cuts to save money. Don't forget, customer satisfaction is based upon meeting their expectations on an ongoing basis. Customer confidence can be lost quickly if poor quality compost is shipped to them. One of my greatest pet peeves is visiting a composter that produces a great product, only to ruin it through improper storage practices. Remember, don't allow weed seeds to contaminate your compost, don't let your product sit in water (it 'wicks' it up) and don't pile it too high.

#2 INVEST IN PRODUCT DEVELOPMENT, SALES AND MARKETING.

If location, location, location is the mantra in the real estate industry, then investment, investment, investment is its equivalent in sales and marketing. By the way, I didn't say: spend frivolously, spend frivolously, spend frivolously — we're selling compost, not real estate. To succeed in anything in life, we have to invest time, money and energy (and some brain power). So why should selling compost be any different? To improve market penetration, composters must make a focused and ongoing effort to

approach the market — investing. *Remember, sales and marketing are all about momentum.* Small and sporadic sales and marketing efforts are often ineffective. Of course, your investment should be done in a cost-sensitive and efficacious manner. If you need to “jump start” your sales and marketing efforts, go get some advice, but then *take action.* A study completed in the late 1990s identified lack of effort and investment second only to poor product quality as the cause of failed compost marketing programs.

Also, remember that your sales and marketing investment is not just investment in “things” (e.g., logo, advertisements), but people. Invest in motivated staff and in their education.

#3 UNDERSTAND YOUR PRODUCT (OR NO ONE ELSE WILL).

Many companies produce great compost products, but they don't convey that fact well enough to their customers and prospects — because they don't understand the technical aspects of their own product. This doesn't mean that you have to become an expert in laboratory testing methodologies for compost. It means that you need to know the technical aspects well enough to understand target ranges for specific

characteristics (e.g., pH, electrical conductivity (EC)) and how those figures relate to specific end use applications. Frankly, understanding that your compost has to be adequately stable and mature, and be low in EC and ammonia is a good start. Understanding more about your product allows you to do the smart thing: *sell towards its strengths.* What that really means, is that you sell your product into the applications in which it is best suited.

This strategy limits your risk and potential liability, as well as allows you to develop markets that you can better protect. Don't be satisfied testing your product, just to file the data away in a folder on a shelf — ask questions to lab technicians or other industry experts. Understand what the numbers mean. Besides, you have to know enough about your product to understand the ramifications of a drastic change in one of the test parameters. Remember, “compost is not compost” — each product is a little different, and you have to be able to point to some of those differences when you are out selling.

#4 SALES IS EDUCATION.

Although compost, and products similar to it, have been used by gardeners and farmers for hundreds of years, it

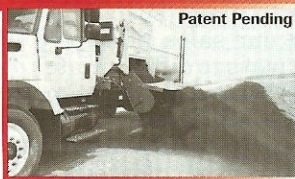
still can be misunderstood. Compost is actually somewhat of a technical product to sell, and for that reason, much of our sales and marketing efforts must possess strong elements of education. Composters and compost sales people who take the time to educate themselves (#3) about the benefits of compost (and have seen it work in the field) know how valuable a tool it can be to the landscape/nursery and others industries. However, those who market the product must be able to convey this message to their prospects — taking highly technical aspects of the product and explaining it in a way which illustrates value. One of the keys is “dollarizing” the benefits of your compost (illustrating the actual financial value of each benefit).

Further, if we are trying to show prospects that our compost is better than what they currently are using, or a compost-based method is better than their current method, then the best customer for us is the one who is educated. Therefore, we really have to work on becoming an educator to our prospects and customers (yes, it takes more time to do this). Remember, “sales” is not a dirty word. We're not trying to sell somebody something that they don't need. We're trying to figure out if our product can help them get



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their job done better (faster, cheaper). If it does, we have to educate them to that fact. So, if it makes you feel better, you're an educator, not a salesperson.

#5 UNDERSTAND THE MARKET.

One of the things I have realized is that we sometimes speak in much too general terms. We wonder why we can't sell compost "into agriculture," when we should be trying to develop programs to market compost to tomato growers or vineyards. Many of us have done a good job understanding the generalities of the marketplace, and even particular market segments. However, to expand overall sales, develop new markets or create new applications, we really have to understand the particular nuances of the specific end user (or application). What is the customer's production requirements, costs, stresses to the growing system? Understanding these specifics leads to success, or keeps you from wasting time in a market in which you cannot succeed.

Even facility managers should find time to get educated about the market. A general understanding of the clients' needs should lead to the production of higher quality products and, perhaps, the development of new creative products. It should be noted that the market is constantly changing, and so is competition. That's why staying plugged in is so important. Even our general descriptions of market segments, "value" and "volume," have changed over time. Typical volume markets, such as agriculture and highway maintenance, have proven to be value *and* volume markets in specific regions of the country.

#6 BECOME A STUDENT OF THE MARKET AND OF YOUR BUSINESS.

Sticking with the whole education theme, it is really important to maintain student-like habits. Constantly push yourself to learn and improve what you do. That means not only better understanding your product and the market, but also better understanding your own business. Obviously, reading trade journals and interacting with your clients is a must, but you also have to understand your own company's

business trends and sales tendencies. What are your most popular products and markets? Why? What does the monthly sales curve look like? Never stop learning or asking questions.

#7 MARKETING AND SALES ARE DIFFERENT.

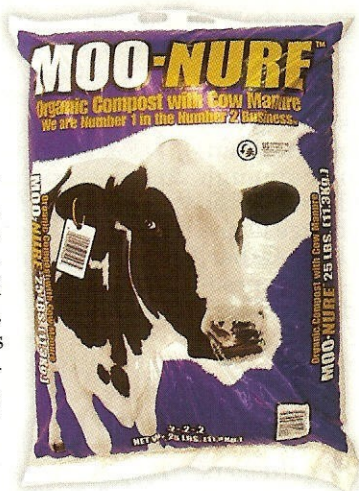
Many composting facility managers over the years have told me their war stories — battles they lost in the field while trying to sell compost. I've been asked why their product is not being sold, as they have invested heavily in "selling" compost. They try to prove this point by providing examples such as placing an ad in a newspaper or investing in some university research. Unfortunately, I had to be the one to explain to them that they have not been investing in "sales," but in things that fall into the realm of market development. Sales, to me, is getting in your car and getting in front of a prospect (sometimes called "pressing the flesh").

This can also be accomplished to some degree on the telephone, and of course, at industry trade shows. However, few companies succeed in selling without getting out of the office and being face to face

with prospects. This, of course, takes effort (see #2) and guts.

#8 BUILD A BRAND.

Much has been written over the years about composters succeeding in developing markets for their "branded" products. I don't believe that this is a coincidence. If you take sales and marketing seriously, where you're investing in order to increase product value and sales volumes, then you are ultimately led to branding. Just think about how much money beverage and automobile companies spend to create specific images around their products. What do they want from this effort? They want product differentiation in the marketplace, the building of brand loyalty and to increase product value. This, of course, is what composters want — and need — especially if they are selling their product in bulk form. Obviously, without packaging, compost can be more difficult to brand, but we're succeeding at it and gaining the benefits for that effort all over the country. The Inland



Composters can differentiate their products through branding, as well as by participating in certification programs, e.g., Seal of Testing Assurance (see logo in bottom right corner of bagged product).

Empire Utility Agency's "Soilpro Products®" line of compost-based products is a case in point. The Agency branded the product line, as well as added tagline type names to it. Examples are Soilpro Products Premium Compost or SoilPro Products Erosion Control Compost.

Remember, there are large companies out there selling bagged products who would love to keep compost generic (like topsoil) because this keeps their wholesale purchase price down for the compost. They buy a no name brown product that is a great ingredient to *their* branded bagged products. Branding the products ourselves is key to maintaining long-term market share, as well as raising product value. But don't forget, the brand has to stand for something — which means that you have to invest in it.

#9 DIFFERENTIATE YOUR PRODUCT FROM YOUR COMPETITION.

To be a leader, you have to lead. Okay, not everyone is up to this task, but you can still find smart ways to differentiate your compost from your competition. By differentiating yourself and your product, the market should think of you first, or at least think of you in favorable terms. Composters often differentiate themselves and their products through branding (see #8), but also by certifying their product (e.g., U.S. Composting Council's Seal of Testing Assurance Program). Some composters develop creative product sales/marketing tools or derivative products. My old compost marketing company always made sure that our products were registered with state Departments of Agriculture, which allowed us to make specific and legal claims in our sales literature. There are many ways to differentiate yourself from your competition; the most difficult thing is committing to do so.

These are just some of the lessons I have learned over the years. Like you, some were learned the hard way after failures in the field, while others were spoon fed to me during everyday business. Consider them as you work to expand your compost marketing program. Remember, to stay ahead of the curve, it is always smart to learn from the successes and failures of others. ■

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