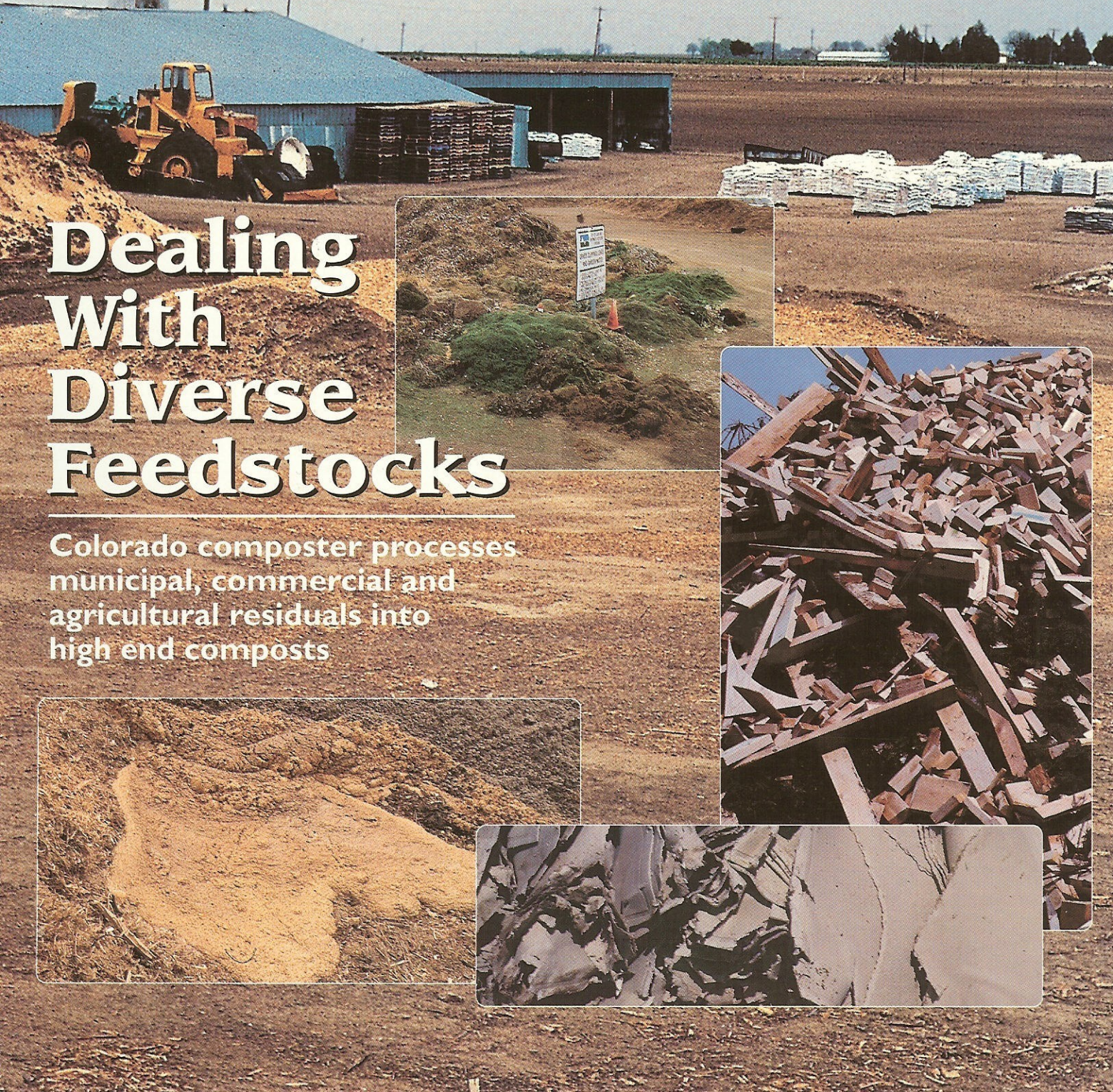


BIOCYCLE

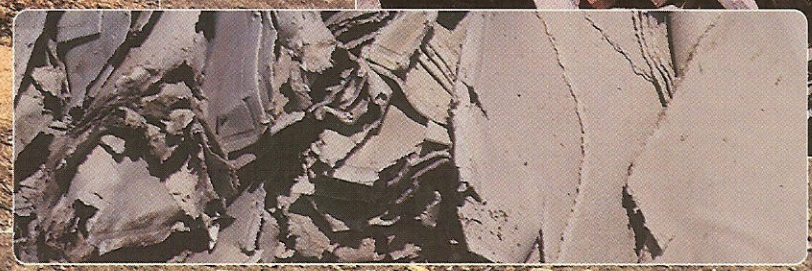
JOURNAL OF COMPOSTING & RECYCLING

JUNE 1998



Dealing With Diverse Feedstocks

Colorado composter processes municipal, commercial and agricultural residuals into high end composts





COMPOST USERS FORUM

AS more compost products have been generated, we have learned more about how best to develop markets for them. Similarities can be found in successful organics recycling programs which indicate that a systematic approach to market development pays off. Within this article, we focus on five key areas for long-term effective selling results.

The first areas of consideration are product production and facility related issues to meet the needs and specifications of the end user. A testing program must be based on buyers' requirements as well as regulatory standards. While frequency for testing pathogens or heavy metal content will be governed by state and federal regulations, plant growth related parameters such as soluble salt content, pH, stability, and others will be governed more by the needs of specific end users. Using this data and working with end users will allow for decisions related to value-added products, such as a finely screened for turf topdressing or "extra cured" for nursery growers' use.

In the facility, adequate storage must be provided, and an inventory control system must be developed. An inventory control system will allow a producer to estimate the quantity of material in storage on an on-going basis as well as its age, and quality. This information will allow for improved customer service.

Performing field trials with large potential end users is an excellent way to promote purchases of composted products.

Five Steps To Successful Compost Marketing

Emphasis on specific areas will vary, but market research and a good "gut feeling" will determine the most appropriate strategies for selling organic recycled products.

Ron Alexander

Proper storage procedures must also be utilized to maintain a high quality product. Curing pile size, pad drainage, use of aerated curing, and other issues must be considered. The facility must also be kept clean so that contaminants such as stone and garbage do not find their way into the composting or storage piles. Cleanliness of the facility is also important as it relates to public relations (facility tours) and regulator

inspections. The potential of developing some type of visitors' center or compost end use exhibit may be considered as should the construction of a greenhouse for demonstration and in-house research projects.

Product Research

History has shown that large composting facilities and those which are municipally owned and operated are much more likely to invest in product

research than are smaller composting facilities and those which are privately run. The first step in considering any short, intermediate, or long-term product research is performing a literature search related to the specific application (end use) in question. This will allow the company investing in research to know if any relevant or similar research has already been performed. A research program should be focused around end uses that are large potential markets for your product or in niche applications that can be uniquely accessed by your specific product because of its characteristics. Involvement of end users and industry trade associations in research is often suggested and can lead to opportunities for field research, demonstration plots and funding. Research should be completed on a systematic basis, allowing for limited investment before expanding into a full-scale research project.

Several composting operations have even developed research farms or demonstration plots which can be monitored by facility staff and research personnel. The results of the research should lead to the development of new products, marketing programs, product use literature and other tools used in market development.

Promotion

Facilities that are serious about developing a marketing program should first come up with a product name and logo which will serve as a focal point. Often, names and logos relate directly to the organic nature of the products or other geographical nuances (e.g. EarthLife, Cajun Compost). Many marketing programs use trade shows, newsletters, cooperative advertising programs with distributors, billboards, and even cable television commercials. Demonstration plots for field research can also be an effective means of promotion and can involve end users and the agricultural extension service. When considering promotional activities, determine whom you are attempting to bring your message to and how to measure results for future analysis.

In specific areas around the country and where larger programs are developed, more intensive promotional and public relations activities will be required. Advocacy groups or stewardship programs should be considered. In such programs, the general public or industry professionals may be informed and trained regard-

ing the product and program, and they can act as liaisons to the general public. Performing field trials with large potential end users or industry innovators has been used as an excellent means to promote products.

Education

Education of various groups of individuals is essential for the development of a successful compost marketing program. For instance, often the most important group of individuals to educate early are the staff members working at the production facility as well as other municipal departments if it is a government program. Long-term, the primary focus of educational activities will be the end users targeted in your sales and distribution plans. These education-

Pick a product name and logo that will work well as a focal point in the market. Often, names and logos relate directly to the organic nature of the products or other geographical nuances.

al efforts typically focus on various green industry professionals and product specifiers such as landscape architects and extension service agents. These educational efforts can be performed in many ways, including the use of research, videos, and seminars. Often, by educating companies or public entities which can specify the use of your product, inroads in market development can be made rather swiftly. Understanding the needs of these specifying agencies is important, as is providing them with visual documentation. This is because often these individuals are specifying particular products for use on another company's project.

In larger programs or where the public sector is targeted as customers, developing creative methods to educate the public sector will be necessary. This can be an expensive and time consuming process, so creativity will be required to reach garden clubs, public interest groups, etc. One of the best ways to educate the public is by educating the companies which will profit through the resale of the product. Retail distribution center (e.g., garden center) staff can be educated through personal training sessions, videos, slide presentations, and other tools currently available.

Sales/Distribution

Much of the work completed in this facet of the program will be de-

termined through research and will be carried out by the marketing manager and staff. One of the most important functions of the market research will be to identify target markets for the compost product. Within the sales and distribution program, strategies which include pricing policies will be developed for the target markets to be approached. These markets typically include those with the greatest potential as far as volume and value, and those which are the easiest to penetrate over a short period of time. A geographical market area in which market efforts will be concentrated should also be identified then approached in development activities. Overall strategies will determine if in-house or broker distribution will be pursued or if outside assistance will be necessary. Within this program, it will be important to develop technical assistance programs for end users which may include a reference library of research or a consulting staff. Developing a delivery infrastructure which allows customers to receive product when desired will also be necessary.

Over time, as a customer base is developed, "in field" sales efforts will likely decrease unless additional volumes of products are obtained for distribution. Within the sales/distribution program, determine the appropriateness of developing a subdistribution chain which can move bagged or bulk product in less than truckload quantities. Continued market research should identify and develop programs for new niche markets as well as methods to increase the value of the compost.

Intertwined Approaches

The five facets found within the market development program are intertwined, in that functions in one area overlap into others. As programs are implemented, this overlap should be kept in mind and used as a means to improve efficiency. The areas which require concentrated effort will depend on the nuances of individual programs, product quality, potential competition and many other factors. However, market research and a good "gut feeling" will help to develop the most appropriate course of action. If done properly, market development will only need to be completed once, then only tweaked from time to time. ■

Ron Alexander's company, R. Alexander Associates, Inc., specializes in market research and development of organic recycled products.