

THE FOOD SUPPLIER'S GUIDE TO SELLING ONLINE:

SALES & MARKETING

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Local Line

SALES AND MARKETING

IDENTIFYING YOUR TARGET CUSTOMER

Different businesses should sell to different customers. The first step to sales is to determine who you are selling to. Who you sell to defines the marketing and sales strategies used for your business. Within the food industry, customers can be generally categorized into three different types: household, restaurant, and retail. Each customer type is very different. In order to help you figure out which customer type you want to sell to, we created this chart:

1. NUMBER OF PRODUCTS SOLD

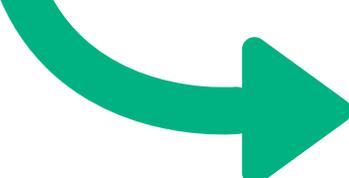


2. AVAILABILITY & SEASONALITY



3. QUANTITY OF PRODUCTION





4. DELIVERY

HOUSEHOLDS

I don't deliver outside my town, or don't deliver at all.

RESTAURANTS

I have at least one truck I use for delivery to a couple cities.

RETAIL

I have trucks or I use third party shippers to ship to a distribution centre.

5. ORDER QUANTITY AND LOGISTICS

HOUSEHOLDS

My orders are \$200 or less and pickup locations work well for my business

RESTAURANTS

My orders are \$200+ and I can deliver right to the back door

RETAIL

My orders are \$500+ and I can deliver

6. SALES & SUPPORT

HOUSEHOLDS

I do the sales and don't have sales people

RESTAURANTS

I have a couple of sales reps

RETAIL

I have dedicated account managers for the stores I sell at

After determining your ideal sales channel, you have to start looking for customers. These strategies differ dependent on customer type whether it's **households**, **restaurants**, or **retailers**. In order to help you find your customers, check out our tips on the next page!



Finding Households

Selling to households can feel daunting at first because (1) there are so many of them, and (2) there are so many ways to sell to them. Unlike restaurants or retail, it is hard to research or accurately compile a list of possible new customers. The best place to start is to know your target audience. We've seen suppliers increase their sales by selling and promoting at locations that play into a customer lifestyle. Sharing the same philosophy resonates with their customer base. An example of this would be selling organic, grass-fed beef at a naturopathic office. Determine what type of customers need your products and understand their ways. Where do they shop? Where they do frequent? Determine this and meet them where they already are!

Other sales methods that can help you increase your customer base include:

SELLING WITH NEIGHBOURS

If you only sell produce, that's ok, but when trying to target new customers, creating more of a "one-stop-shop" for their local food needs will increase the likelihood that you get orders. Think of this as like your own online farmers market! Connect with other producers and use Local Line to set up co-selling and co-delivery with neighbours. This is a great way to share costs and increase sales. Here's an example of a group of farmers in Northern Ontario, Canada that made this work for them.

INVESTING IN YOUR ONLINE PRESENCE

Whether it's investing time or money, it is essential to invest in your online presence. Being online has many benefits such as decreasing chance of missed orders, reaching more customers, and enhancing your brand. Everyone is online, including your customers, and your competitors. Don't miss the party! If you have an online store and presence that is modern, easy to use and professional, not only will you see some immediate results, but you'll thank yourself long term when your brand grows.

CREATING A REFERRAL PROGRAM

This is a big one. Word of mouth is extremely important in the food industry. Your customer base is bound to have friends that would love your products too. You should be tapping into your existing customer network to generate new leads. So how do you ensure that customers will refer you to friends on your behalf? We've outlined every step you need on page 18!

Referrals are a win-win for everyone. Your existing customer is rewarded for their loyalty by receiving a discounted price and your new customer is learning about your business from the most trusted source of marketing: word of mouth.

And, most importantly, your business just earned a new customer from an existing one!

USING A VARIETY OF MARKETING PLATFORMS

In addition to using a referral program, use various different marketing platforms. Use social media to promote your brand and showcase your products. Instagram can be a great tool to show pictures of your farm and show off the product transparency your customers are looking for. Attend food shows and festivals to build relationships with potential customers. Hang up promotional material at customer hotspots, such as gyms, farmers markets, local shops, etc. There are many different methods to promote your business. Using a variety will increase the likelihood the material reaches your audience.

REMEMBER:

Focusing on your customer service will help you run a successful referral program. Don't forget to continue to check in on your customers.



Finding Restaurants

Finding restaurants to sell to is all about **research!** You're looking for more than a customer, you're looking for a partner. In a weird way, think of it like a marriage: it's best to get it right the first time. Start with looking at menus. Do you produce the type of food they sell? Do you think your product would good be a good fit with their style of food? Start creating a list of possible candidates you can approach, and you can also try:

ATTEND FOOD FESTIVALS

Local food festivals are a great platform for local vendors, restaurants and food suppliers to meet and share their love for food. Visit different stands that could showcase your products and make connections with the chefs. This allows you to taste food and meet who's behind it to determine if it's a good fit for you in a casual setting.

USE SOCIAL MEDIA

Social media is a leading tool in marketing for all businesses. Many restaurants use their social media to show off their food, show new items on the menu and try to reach new customers. Use the explore page or search restaurants near you to see what they're serving up. There are also an infinite number of Facebook groups available. Find a specific group that is applicable to your business.

This often a great place to make connections with local restaurants that are looking for new products.

FOLLOW FOOD BLOGS

Many chefs are interviewed by food writers to showcase their restaurants. Interviews often display the philosophy behind the menu and what types of food that are frequent to their restaurant. This allows you to determine if local is important to them and whether they could be a possible buyer.

WORD OF MOUTH

Ask around to non-competing food suppliers near you which restaurants they supply to. This will give you insight on which restaurants buy from local food suppliers. Having a connection will also allow you to have a foot in the door when connecting with chefs for possible purchase.

Finding Retailers

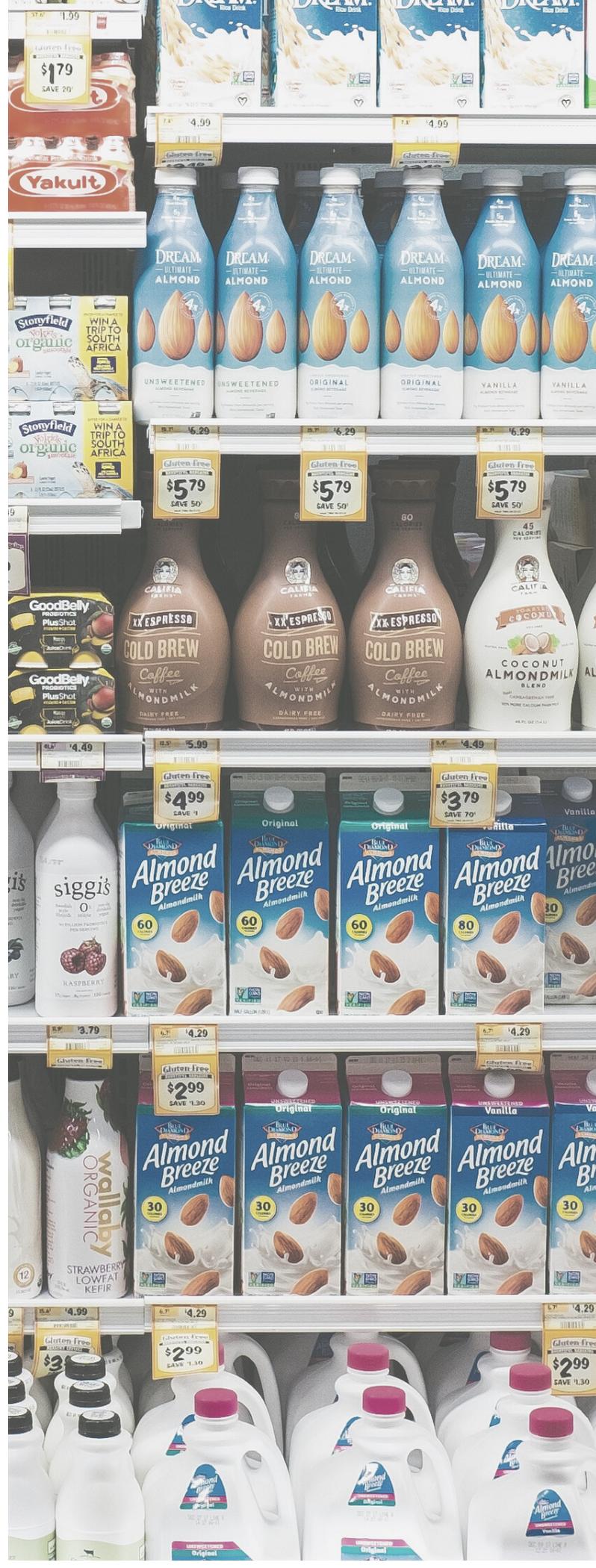
Similar to finding restaurants, finding possible retailers involves lots of research! There are many different types retailers, including:

- Independent Retailers
- Co-ops
- Speciality Health Stores
- Artisan Shops
- Butchers
- Bakeries
- Food hubs
- Big box retailers

Depending on your products, quantity, packaging, and delivery availability, the way you acquire retailers will differ. The first step is to book a meeting, but before that you'll want to do your research. It's best to find out who your competitors are, the type of quantity and frequency they require and any pricing information you can find that could make or break the deal.

In addition to research, using **word of mouth** can be helpful. Try asking non-competing food suppliers near you which retailers they supply. Hopefully they can also make connections to help you get started.

Trade shows are great because they happen normally every season, or at least every 6 months. Even if you don't have a booth, you can walk around and connect with buyers who want to sample your products.



ACQUIRING CUSTOMERS

You found your customers, but now you need them to order. **Let's break it down:**

Selling to Households:

These are our best tips to help you sell direct to customer:

MAKE AN ONLINE STRATEGY

In order to sell food online, you need to be online. As mentioned above, every consumer is online. This is the best way to reach new customers and make it easy and fast for them to buy from you. The best way to do this is to have an online store. Saves you time on taking, processing and carrying out orders. Be sure to keep your inventory up to date and use various marketing tools to promote this service.

GET REPETITIVE

Consumers are like goldfish- they have short memories. Your job is to get in front of them not just one time, but 100 times! Find out what platforms they frequently use and what are they looking for when ordering. What can make it the most convenient for them? If you match the needs of your customers to the services of your business, you are giving them fewer reasons to not order from you.

SHARE YOUR STORY

There are so many products available online. Make sure your products don't get lost in that. Create branding that is uniform among all platforms and is unique. Tell your story. Remember that buying local is all about supporting the community. Help everyone get to know you, and don't forget to play into current trends of the industry.



USE "BUY LOCAL" PLATFORMS, FACEBOOK GROUPS, AND OTHER ONLINE COMMUNITIES

Many states and provinces have local food directories for buyers to find farmers and producers in their area. Make profiles on these directories so that your business pops up when searched. Provide a link or contact information to allow consumers to buy from you easily.

Selling to Restaurants:

Selling to restaurants is much different than selling to households or retail, because restaurants don't just demand great product quality, they demand the whole package! To build a successful relationship with a restaurant, you need consistent supply, high quantities, frequent delivery, and ideally, a sales rep to help with that day-to-day management of the relationship. To help you better sell to restaurants, we interviewed B Hospitality executive chef, Aaron Clyne. Aaron is an expert in purchasing from local farms. He's spent over 10 years developing his relationships, and has helped us create a list of the main things to avoid, and the things you have to get right!



Aaron Clyne, B Hospitality

Here is his list of **Dos** and **Don'ts**.

DO MAKE
APPOINTMENTS,
DON'T JUST
SHOW UP.

Restaurants are extremely busy, especially during service time. The chef will have no time to meet with you and will not be able to give a fair assessment of your product. Be respectful of their time and call ahead. Making an appointment will increase the probability of selling your product, as the chef can be focused on what you are offering them.

Every food producer should be extremely proud of their products. It takes a lot of work to be able to produce, however there's a difference between being proud and being pretentious. If you are excited about your product, the chef will be too. They want to create a dish that will showcase the beauty of your product and want to share that excitement with the diner.

DO BE
PROUD,
DON'T BE
PRETENTIOUS

It is important that you don't put down other local food producers. This is a red flag for chefs. Local food is already in competition with large corporations, so there is no need to create competition between colleagues. Instead of bashing on other products, let the quality of yours speak for itself.

DO BE PERSISTENT, DON'T BE CLINGY

Chefs get many calls a day from suppliers wanting to sell them their products. Make sure to stand out from the crowd. Offer to send them a sample, invite them to your farm or show them how the product is produced. Tell them the story of your product. This way chefs will remember you and your product, and put you higher on the list of possible suppliers. Make sure to think about what you are showing them and pick a product that showcases your farm or business.

The most important point Aaron emphasized is to remember that selling to a chef is a relationship. If you respect their business and are open to dialogue, they will be too. Understand how their business works and how your business plays into that. The better the relationship between each other, the longer and more successful the partnership will be for both of you.

Generally, no means no. If a deal does not seem to work out, you should move on. If it was not a good fit for the chef, it probably was not a good fit for you. If you had a great initial conversation and there is promise for a partnership, follow up while still remembering to give them space.

DO SOMETHING MEMORABLE, DON'T BE LIKE EVERYONE ELSE



Selling to Retailers:

Selling to retail is unlike the other two channels, because retailers decide to buy from you if they have demand for your product- the retailer isn't the end customer. In order to be successful when selling to retail, you have to consider that you are actually selling to two different channels: the retailer or retail chain and the consumers shopping at the retail location. Here are some steps to consider when starting to sell:

1. Set a reasonable price and MOV (for you and for them)

The first thing to do is set your MOV (minimum order value). If you need a way to calculate this, *click here for our free MOV Calculator*. The MOV needs to be reasonable for your business to ensure that you are making profit and for the retailer so that they will order from you.

Please note: Selling to retail is unlike selling direct to customer as the retailers will only purchase at wholesale pricing. Due to this, the pricing and MOV must be adjusted in order to suit the larger order quantity.

2. Get your products in order

After you have determined appropriate pricing, you have to ensure your products have the following:

- **Food Safety Certifications** - This step is crucial. Do some research and make sure you have all the correct documentation so that you are able to sell your product in this environment. If you are unsure where to start, retailers deal with this every day, so reach out and ask!
- **Shelf Life** - Know the shelf life of your product. This is essential when considering the order frequency and distribution required to have a working relationship with a retailer. Your products should be properly labelled with best before dates.
- **Packaging** - This step is important for increasing the probability of a consumer picking up your product in store. When designing and planning your packaging, remember that packaging should consider: *product protection, product safety, product freshness, and brand identity*



3. Connect with a retailer

At this point you have considered the price and appearance of your product. It is now time to get your product into stores!

Set a meeting with a head buyer or department manager. This is the first step to getting in with a retailer. Do research and find out who deals with procurement. In a larger chain, often a buyer is hired and for smaller stores, the manager may do the buying. Each retailer is different so make sure you know who's the best person to contact. Reach out and set up a meeting. Scheduling a specific time to meet shows respect and allows the buyer to give you all of their attention. Like selling to chefs, selling to retail is a relationship.

Prepare your presentation

Your presentation is extremely important. For some retailers, the meeting will take place in a boardroom with a powerpoint and others over coffee. Be sure to know what kind of meeting you will be having. When preparing your presentation, consider these points:

- *What makes you a good fit for their stores?*
- *Why is your product better than what they're currently listing?*
- *Why are you the right long term partner?*

Pitch!

The final step is to pitch! We've been part of lots of good, and bad pitches, so if you're preparing your first pitch to retailers, we'd be happy to be a second set of eyes before the meeting!

4. Build a Customer Following

You did all the work to get your product on shelves, however in order to stay there people need to buy! This is the second channel when selling retail. By building a proper customer following, you will guarantee sales when you first start selling in retail. Here are some tips:

Use your current customer base

Make it easy for yourself – start with those who already love you! When you first transition, let your current customers know where they now can get your product. This will drive initial sales – and give you a trusted customer base.

Be a lifestyle advocate

Food is trendy. By advertising your product into certain trends, niches or lifestyles, it will likely drive sales as people want to join the craze too. Every product can fit into a trend if you spin it the right way. Do your research on what's new and in and build your marketing around that.

In store promotions

This can be a great way to drive new customers to buy your product. Work with your retailer to see if you can offer discounts or have space in the new this month section of the store. Making your product visible helps convince people to buy it.





Streamline your farm's sales process.

Local Line helps food suppliers doing direct marketing sell their products online, access new markets, and keep organized.

Learn more at localline.ca