



# Livestock and Natural Resources

Publication Number-655 (Summer 2006)



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## Relationship Marketing According to Joel Salatin

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Marketing is creating value from other people's desires. Marketing is theatre and show business. Marketing is ministry and evangelism. Marketing starts with your neighbor. Do not take rejection personally. Marketing does not mean you become a mercenary.

The hard part is finding customers. Once you have them, keep them coming back and buying more by offering more diversity of product.

### **Don't forget the Salatin 80/20 Rule:**

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You can not build a business on the periphery. You must have an active core. Focus on building your core.

### **Polyface Farm Marketing Arms**

**On-Farm Marketing Comprises 40% of Sales** – The journey to Polyface Farm is not easy. It is located at the end of a dirt road. In order to get people to make that journey, three marketing strategies are employed.

1. Samples are given out to generate a hit list of potential clients. Samples might include a T-bone steak, hamburger, sausage link, etc.
2. Slide program about the farm is developed and delivered at community group meetings such as Rotary, Kiwanis, etc.. Samples are taken as door prizes. Education is the focus of the presentation with a sales pitch at the very end of "let me know if you are interested in buying food." An average of 2-3 people sign-up.
3. Once they get people out to the farm, Polyface strives to turn them into evangelists. They do not advertise and 75% of their business is word of mouth. When someone calls for the first time, they ask where the caller had heard about Polyface. If it is a customer referral, they note that. The next time the customer who referred the new person comes out, they are thank them for the referral and give them a free gift – usually a product they are not currently buying (never stop marketing). Polyface does not keep customers who are cranky. They drop them from their list. They want customers who appreciate and honor what Polyface does.

**Restaurant Marketing Comprises 20-25% of Sales** – Deliveries to restaurants occur on Thursdays of every week. Polyface charges a delivery fee that is broken out as a line item on the bill. **The production does not subsidize distribution.** All the chefs complain about the charge because they are not used to seeing it broken out. Once Polyface explains why they put it in as a separate charge, most chefs are okay with it.

Some restaurants spend as much as \$15,000 per year buying Polyface products. Pullet eggs are small and can be hard to sell. Sometimes Polyface will toss in a case of pullet eggs for free with a delivery which builds good will and appreciation from the chefs. You have no idea what qualities your product may have that increases its marketability.

One example is wedding cake catering. The cakes are paid on the vertical inch. The use of Polyface eggs results in a 30% higher wedding cake. Pastry chefs usually face a 36 hour marketing window with conventional eggs. This marketing window expands to 72 hours with Polyface eggs. Another restaurant featured water poached eggs for their Sunday brunch. The day before the restaurant staff was going to have a meeting about dropping water poached eggs from their menu, Joel Salatin stopped by with his son to make a sales call. Conventional eggs would not hold together well during the poaching process. Polyface eggs did and brunch was saved.

**Metropolitan Buying Clubs Comprise 35-40% of Sales** – You must be alert to cultural changes in society so your marketing and business do not become obsolete. Most people had stand-alone freezers and could cut up a chicken 25 years ago. Today, that is not the case. There is a finite number of people who will come out to Polyface to purchase directly on the farm. This did not become evident until 3 ladies from Maryland set in motion a new marketing opportunity.

These 3 ladies had been traveling 400 miles round trip to Polyface for 18 months, every six weeks. Each visit, they would spend \$7-800. One of the ladies mentioned that several other people would be interested in purchasing product if it could be delivered to their area. She asked Joel how much in sales it would take to get him to deliver to Maryland. He thought a minute and said \$3,000 – thinking there was no way they would go for that.

He did not realize that one of the ladies had written seven books and taught adult classes. She discussed the idea with her class and had them sign up. The following week, they called Joel up and said they had the sales volume. These new customers tended to be organic supermarket drop-outs. Marketing using this concept expanded from 100 to 400 families with no advertising.

There are currently 9 metropolitan buyers clubs and demand for more. There are three main transportation routes: Maryland, Upper Virginia, and Central Virginia. In order to get a stop, you have to get enough people together for \$1000 in sales for each drop. For example, one day they left at 6:00 AM on the Upper Northern Virginia route. By the time they got back to the farm at 6:00 PM, they had an empty van and \$21,000. The volume is sufficient to create transportation efficiency.

Product is ordered by email through by Joel's daughter-in-law. You get \$10 off your order when you successfully refer another person. The email keeps the different clubs apprised of their sales volume compared to the other clubs. This creates a friendly competition to see which club can be first in sales volume. The delivery time is given specifically – an example would be 2:00 PM. Sales end up happening between 1:45 and 2:15 PM. This cuts down on waiting time. Since all products are pre-ordered, you come home empty.

In addition, it is a great way to move slow moving product. If you have too many chucks and not enough sirloins, the buyers clubs are a great avenue to keep inventories balanced. The increasing demand has resulted in Polyface doubling their grass-fed beef numbers. They have not leased an additional farm to graze the additional beef.