

HOW TO INTRODUCE A NEW PRODUCT INTO THE MARKET

BC Ministry of Agriculture Marketing Guide Series



Getting Your Product Into the Shopping Cart

LAUNCHING A NEW PRODUCT

Launching a product into the market can be an exciting but stressful time for an entrepreneur. New product launches should be part of promotional strategies in your overall marketing plan. The goal of promotional strategies is to create value in the minds of consumers.

STAY FOCUSED

Keep focused on the main goal of launching a product: to move product off the shelf and into the carts of consumers. It is important therefore to create excitement and generate on-going demand by utilizing some of the promotional options listed in this guide.

If you have a product already on the market, leverage the hard work already done on that brand. Food companies with branded products familiar to shoppers are more likely to meet with success in new product launches.

Regardless if your product is the first for your company or an addition to a product line, you will need to promote it:

- 1) To the consumer
- 2) To the buyer

PROMOTING YOUR PRODUCT TO THE CONSUMER

The most successful product launches target the consumer who will then demand the product at retail and 'pull' it through the marketplace.



Your choice of promotional options depends on the stage of growth of your company as well as available resources in terms of time and money. Promotional options providing short-term payback are listed first and are appropriate for new companies. Options providing longer-term payback requiring up-front investment are more appropriate for established companies.

Tip Prior to evaluating your promotional options, be sure to have a good understanding of who your target market is and how to reach them.

PROMOTIONAL OPTIONS FOR NEW COMPANIES

Farmers' Markets

Many small agrifood and seafood companies start building brand awareness and buzz around new products at farmers' markets, pop-up markets and festivals. These are good ways to connect with the consumer and can lead to requests for your product at their local retailer.

In-Store Demonstrations

Consumers love to sample products. In-store demos are an effective method to gain traction by personally communicating the benefit of the product and getting your new product into shopping carts.

This method also offers the opportunity to connect with your potential customers and gain feedback. While this promotional tool is relatively inexpensive, it can be very time consuming.

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Celebrate Success

Company Website

Announce new products on your website. Consumers search out new products and share that information if the product and company story resonates with them. Include great pictures, nutritional information, a company story, product use ideas and where shoppers can find your product. Be sure to keep your “Where to Find” product listing up to date.

Recipe or Product Use

Consumers look for products that make their lives easier and interesting. Providing solutions (ways in which they can use your new product) will entice new shoppers to your product. Post usage suggestions on your website or in your advertising. A picture goes a long way so be sure to have a professional food photographer take those pictures.

News Release

A news release is a form of publicity. Publicity is unpaid promotion of your company or product through stories in various media - including newsletters, newspapers, trade magazines, television and social media.

Send out a short, one page, news release announcing your new product along with a short description of your company. If your company or new product wins any awards, capture the excitement in a news release. Media are always looking for good news stories.



Social Media

Platforms such as Twitter, Instagram and Facebook can create product demand by quickly connecting with your target market. Real time interaction in these highly visual environments present opportunities to engage with your target audience in their medium of choice.

Social media campaigns are a great way to learn what customers are saying about your product. Running one, however, can be costly as they can be time consuming. For more information on maximizing the use of social media, see the Ministry of Agriculture’s “How to Develop and Use a Social Media Marketing Plan” guide.

Coupons are typically used by consumers already loyal to the brand.

PROMOTIONAL OPTIONS FOR MORE ESTABLISHED COMPANIES

Coupons

Food companies often make use of coupons to entice consumers to a new product. Couponing comes with costs attached to distribution and redemption. To reduce distribution costs, companies may attach coupons directly to a product. Consumers then are provided the discount at check-out.

While consumers view coupons as a temporary price reduction, they tend to be used most often by consumers who are loyal to that brand already.

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You Can Never Be Too Prepared

Co-Marketing

Cross or joint promotions occur when two companies with complementary products combine promotional resources (e.g. joint promotions of steak and barbecue sauce or nachos and salsa).

Co-marketing allows both companies to extend their promotional budget and achieve maximum target market penetration. If undertaking this method, be sure that the brand value of the other company is similar if not stronger to your own.

Direct Marketing

Options include:

- Direct mail with brochures or coupons;
- Online and Facebook ads targeting people who match your target market;
- Advertising in magazines or publications read by your target market; and
- Television advertising on specialty stations or specific shows (becoming less important as consumers turn away from network TV).

PROMOTIONS TO THE BUYER

Consumers are only part of launching a product. Your message also needs to target retail, distributor and foodservice buyers. Prior to speaking to a buyer, ensure you have the following factors and promotional tools in place:

- Your positioning statement;
- The new product's sell sheet;
- Your social media strategy; and
- A great mobile-friendly website.

Tradeshows

These events are good places to identify buyers, gain their attention and establish a presence in the marketplace. Many tradeshows offer a New Product Showcase and often New Product Awards in various categories. Be sure that if you win an award to send a news release out and use social media to announce the win.

75% of meals at home are prepared in 15 minutes or less.

According to NDP Group

Tradeshows can be expensive, so focus your efforts on which shows make the most sense for your company. Speak with representatives of other agrifood or seafood companies to find out their experiences and look for opportunities to partner with other companies, an association or the Government.

Visit Agriculture and Agri-Food Canada's Trade Events' site for information on various shows and tradeshow guides (<http://www.agr.gc.ca/eng/industry-markets-and-trade/agriculture-and-food-trade-show-service/?id=1410072148325>).



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Promotions Must Be Valuable to the Consumer

Sales Promotion

Most retail and distributor buyers require suppliers to participate in various promotions to spike sales quickly, particularly when a new product is being introduced.

Promotions include offerings such as BOGO (buy-one-get-one), contests, coupons and price reductions for a short period of time (e.g. for a flyer). For more information, see the Ministry of Agriculture's "How to Sell Your Product to a Retailer" guide.

MEASURE YOUR SUCCESS

Market entry for a new product is an investment of both time and money. Focus on promotional activities that make sense for your product and company, determining which method will provide the biggest payback. Seek advice from buyers, your association and other owners in the industry.

Be sure to measure the success of any of the actions you undertake. For example, measure sales prior to the promotion, during and then following the promotion at specific intervals.



Chefs

To attract the attention of the foodservice sector as well as the retail buyer, consider working with a chef to develop ideas and recipes using your new product. Remember that chefs can be great advocates and also create demand.

Tip Always consider a promotional offer from the shopper's perspective. Will they find it valuable?



MORE INFORMATION

See the Ministry of Agriculture's Marketing Guide Series for more information and additional topics by visiting <http://www2.gov.bc.ca/gov/content/industry/agriculture-seafood/statistics/market-analysis-and-trade-statistics>

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