

Department of Agriculture, Trade and Consumer Protection
Division of Agricultural Development
Agricultural Development & Diversification Program (ADD)
Grant Project Final Report

Contract Number: 17050

Grant Project Title: Marketing European-style Whole Milk Yogurt Through Grocery Stores: Demonstration of an Opportunity for Small Dairies.

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Please use the following questions as a guide for writing your grant project final report. In your final report, please answer each question as it relates to your grant project.

- 1) What did you want to accomplish with the grant?
- 2) What steps did you take to reach your goal?
 - What worked?
 - What did not work?
 - What would you do differently?
- 3) What were you able to accomplish?
- 4) What challenges did you face?
- 5) What do you plan to do in the future as a result of this project?
- 6) How should the agricultural industry or the State of Wisconsin use the results from your grant project?

Marketing European-style Whole Milk Yogurt through Grocery Stores: Demonstration of an Opportunity for Small Dairies

FINAL REPORT

We had 2 major goals we pursued in this project: the first was to show others with our success that becoming a farmstead dairy artisan is one way dairy producers in Wisconsin can stay in the dairy industry and prosper, and the second was to communicate our success and the challenges we faced in this process so that others can take the same path, but avoid the pitfalls we encountered.

CC's Jersey Creme produces gourmet whole milk yogurt, and now also naturally light yogurt, from our Jersey cows. These products are sold primarily through independent grocery stores in the Twin Cities and western Wisconsin and in natural food stores and food co-ops throughout the Midwest. Our yogurt is also available in the Boston area at specialty markets.

This grant covered our first 1 ½ years in business, and it was crucial to our successful development of the market in the Twin Cities area, particularly in the Byerly's and Lund's chain of stores. The ADDs grant allowed us to undertake a much more extensive in-store customer sampling program than we had originally planned. Customer sampling has been our primary means of advertising, and this will continue for the foreseeable future.

During our first summer in business (2002), we hired a college intern and she wrote a short descriptive piece that we used to provide background information to our employees that do the supermarket customer samplings (demos). Later, we also developed a piece about our farm and the farmstead yogurt business that provides management and production information for our demo people, and it is also handed out to consumers.

Most of the people who work for CC's Jersey Creme, as well as my husband and myself, do demos.

Grocery Store Sampling – Some things we've learned

When an in-store consumer sampling is scheduled, it's also best to have your product on special. Ideally, competing products aren't on sale when your product is being demoed, but that is always at the discretion of the dairy managers.

Be assertive, even pushy about sampling. After all, the product is free and it's a no-risk opportunity for a consumer to try something new. I have several opening lines I will call out when anyone gets within 10 yards of me – “Do you like yogurt?”, “Would you like to try some great yogurt?” and “This yogurt is made right on our farm!”. If necessary put some samples on a tray and walk around the store. Sure, everyone is in a hurry or busy, but it takes less than a minute for people to try the product. Don't expect to have a conversation with everyone who tries the product, but be available for that opportunity.

Know your product. This is where our team of people has a tremendous advantage over any of the in-store demonstration people. Everyone that works for us is involved in the yogurt production and distribution process in some way. And most of them can talk knowledgeably about the management practices on the farm. Consumers with questions that are beyond the abilities of our people to answer are asked to contact me via phone or e-mail.

Give samples to children and people who work in the store. Children are decision makers for certain products. Yogurt is one of those products; particularly in households where they are the only people eating yogurt. People who work in the store can help you tremendously if they like you and your product. They tell their friends and they do things to help your cause. So be nice to children and the people who work in the store.

Schedule a consumer sampling within the first 1 – 4 weeks that your product is in a store. People buy what they are used to buying; the consumer sampling lets them know there is a new product available and it lets them try the product.

Great taste and a reasonable price for the value are the most important things about your product. For every 10 people I talk to during a sampling, perhaps 1 of them will comment that they like to buy locally made products or they like to support family farmers. People are focused on taste and value.

Let people know you are an artisan and that this product is from a local and/or family farm. When I've mentioned this to people who said they were in a hurry or that they didn't want to try our yogurt, these people will often turn around and come back to try the yogurt.

If you can't easily demo a product (e.g., Simply Crème – our version of plain yogurt), then demo a recipe that uses that product. As the holiday season approached in November 2002, we made several decisions. One decision was that we would only demo Holiday treats that used Simply Crème in the recipe during December 2002. The second was that we would begin a series of recipe and information cards that we could distribute to people during in-store samplings. Both strategies proved successful in introducing Simply Crème to consumers and increasing sales. I've done 6 recipe cards over the past 1½ years and they remain quite popular.

Demo your products when people are in the store. In most grocery stores today, the customer traffic is highest Friday, Saturday and Sunday. And in some stores, Saturday is the only day with much customer traffic.

Always have products all ready to hand out. People do not want to wait, so be ready to serve them your wonderful artisan product quickly and with a smile.

Food and Wine Shows

We have participated in 2 Twin Cities Food and Wine Experiences, handing out thousands of samples to people who paid \$50 to get into the Exhibit hall. The comments from these people were 99% positive and often very wonderful:

- This is fantastic yogurt!
- This is yogurt?? But I don't like yogurt.
- This is the best yogurt I've ever had!
- I haven't had yogurt like this since I was in Greece (or Sweden, or Europe).

After tasting our yogurt many hundreds of people wanted to know where they could get our yogurt in the Cities. So, in 2003 we handed them a flyer that they could take to their local Byerly's, Kowalski's, Knowlans, Festival Foods, etc. with information about our product and who to contact to get our product in their local store. And in 2004, we handed them a flyer with the list of stores carrying our products in the Twin Cities area.

Wine and Food Shows are a good way to meet influential people who have the money to spend on artisan products. We used the 2003 Twin Cities Food and Wine Show to gain entry into the Byerly's and Lund's chain of stores. We used the 2004 Twin Cities Food and Wine Show as a way to

introduce thousands of people to our yogurt, and to let consumers know where our products could be purchased in the Twin Cities.

Familiarize yourself with local and regional Food and Wine shows. These shows are becoming popular and a number of cities have started having these events annually. If your product is marketed in that area, or if you want it to be marketed in that area, this is a good way to introduce a lot of people to your product quickly.

Understanding Who are Your Customers

When we started this business, I believed our customers were yogurt eaters. In other words, I thought anyone who ate yogurt could be our customer. This was a mistake our first business consultants made and that I made, and it's a mistake that has cost us a lot of money.

Today, I will tell you that our customers fall into several groups:

- People who enjoy great food that patronize upscale grocery stores and specialty stores.
- People who prefer natural foods that taste great.
- Parents who desire a better yogurt (e.g., less sugar, but still tasty) for their children than is currently offered by the large, commercial companies.

Before I understood who our customers were, we spent time and money doing customer samplings in certain stores under the mistaken impression that this effort and expenditure would result in increased sales. Ultimately, it did not because our customers did not shop at those stores.

It's important to understand who your customers are, so company resources (including your time) can be spent on stores or other outlets (e.g., farmers markets) that attract your customers.

Marketing

Marketing is critical to the success of any food business. Marketing is anything and everything you do to sell your products – whether it is persuading an executive at a grocery store chain to carry your products or doing a customer sampling in a store to introduce consumers to your products.

Doing a good job marketing your own products is not terribly difficult – the most important requirement is passion and excitement. The hardest part is getting to see the right people in larger organizations. Even with perseverance, sometimes you can't get an appointment with the person you need to see. When that happens, use any connections you have within the industry to get the appointment. We were finally able to get a meeting with the dairy buyer at Byerly's using the influence of our distributor.

Marketing becomes more difficult the further you get from home. This is where brokers can be valuable to you. Our experience with brokers is limited and variable; however, I intend to use brokers as CC's Jersey Creme products move beyond the Midwest.

Distribution

Distribution is not much of an issue for artisans that choose to sell their products through farmers markets, on-farm retail stores or a home delivery route. For everyone else, it's a huge issue. Finding the right distributor for your products can be the key to success in the marketplace; and of course, the wrong distributor can cost you a lot of money in lost sales, and ultimately put you out of business.

The first 2 distributors we chose for the Twin Cities were the wrong ones for our yogurt. We had been in business 14 months before we got linked up with the right distributor for our product and the stores we wanted to serve. This has cost us a lot of money of course, and this is the primary reason our

business grew so slowly the first year. If we were to start over today, I would start with the distributor we are working with now and I would have at least one good secondary or back-up distributor for the Twin Cities marketplace.

Finding a distributor that is right for your products and company is not easy. One way to get started in the search is visit stores where your customers will shop, and ask the manager of the area where your products will be stocked (if you are making artisanal cheese, the deli manager may be ordering your cheese; yogurt, butter and milk are handled by the dairy case manager) which distributors deliver products to them.

A broker once told me, "There is never a lack of end users; it's getting the product to the customer that is the challenge." How true that is! We have 2 upscale grocery stores in Milwaukee and several stores in the Chicago area that would like to carry our products but no economical way to get our yogurt to these stores. Right now I'm engaged in a search for the right distributor or distributors to take our yogurt to the Milwaukee and Chicago areas. In the end, I may need to gain the commitment of a chain of 15 – 25 stores to carry our yogurt before I can get the right distributor interested in working with us.

Marketing and distribution are both very important and you need both done well for your business to prosper.

Resources

We dairy artisans are very fortunate in Wisconsin as we have several great institutional resources available to us.

- [The WI Dept. of Agriculture, Trade and Consumer Protection \(WDATCP\)](#). Dairy artisans may ultimately deal with or work with a number of individuals and offices at WDATCP. However, if you are just starting out in this business or want to become acquainted with available resources for dairy artisans, start with the Wisconsin Farm Center and Mr. Norm Monsen or one of his assistants – telephone: 608–224–5135 or e-mail: norm.monsen@datcp.state.wi.us.
- [The Wisconsin Milk Marketing Board \(WMMB\)](#). I have worked with a number of different people at the WMMB. The contact person will depend on your project, question or needs. Telephone: 800–373–9662.
- [The Business of Specialty Foods: The Basics](#). An educational workbook put out by the National Association for the Specialty Food Trade, Inc. A fantastic book that I received as part of a marketing seminar put on by WDATCP in June 2003. I wish I'd had this book before we started our business. I've used this book a lot since I received it, and for just the background information it gives on how the food business is structured it is invaluable.

There are many other resources that dairy artisans or even just small businesses might find useful – trade magazines, food industry electronic newsletters and marketing/sales books available at any good bookstore.

However, the 3 resources listed above will be the most valuable to dairy artisans, particularly in the start-up phases of their enterprise.

The Future

Customer sampling will always be a major part of our advertising and marketing efforts. It is the best way to introduce a new food product to consumers.

When we put together our initial business plan, we planned that after the first 2 years we would limit our in-store customer sampling and depend more upon other forms of advertising, such as coupons. However, now that we have been in business close to 2 years and seen how important customer samplings are, we will continue using in-store demos as our primary method of advertising.

As a result of our work and interactions with WDATCP staff, we formulated an aggressive plan to market CC's Jersey Creme products in major metropolitan areas in the Midwest, Northeast and Southeast. This plan also includes expanding our product line to include a naturally light (lowfat) line of yogurt and developing our own specialty or signature product this year.

It's important that the State of Wisconsin continue to encourage the development of new dairy artisan enterprises. Consumers are asking for, and buying, products made by dairy artisans – truly, the time has never been better to be a dairy artisan. Wisconsin has long been known for its artisanal heritage, particularly in the area of cheese-making. It is time to re-discover and further develop our artisan heritage using the knowledge we've gained in the past few years.