

Effective Compost Marketing

The Engine that Moves the Train Forward

David Hill

*Food Scraps Composting Training at
Rodale Institute*

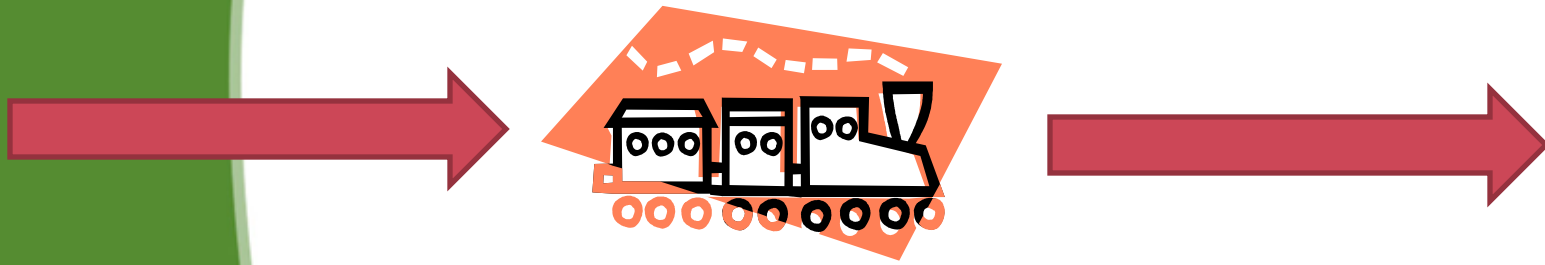


Business Model & Philosophy

- Tipping fee revenue center
 - Stabilize, minimize and mobilize
 - Optimize for throughput volume
- Product manufacturing model
 - Optimize for product value
 - Product revenue covers COGS

Operational Considerations

- Feedstock comes in Product goes out



- The last car on a train only moves as fast as the slowest car in the train.
- Stockpiled inventory can stop the train.
- Product Demand can accelerate it forward.

Revenue Implications

- Composts from source-separated feedstocks have highest average revenue per ton \$40.
 - Compost from yard trimmings has value of \$32
 - Municipal solid waste compost has a value of \$3 a ton
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- Risse, M., Faucette, B. FOOD WASTE COMPOSTING: Institutional and Industrial Applications, Bulletin 1189. UGA Cooperative Extension

Product Marketing Plan

- Is a road map, with detailed directions on how to get to your destination.
- Provides direction for your marketing activities.
- Need not be long or expensive.
- Pairs production with identified markets
- Predict and Fine-Tune profits
- Identifies Diversified Segments
- Is a key component in obtaining funding to pursue new initiatives.

Elements of Marketing Plan

- Summary and Introduction
- Marketing Objectives
- Situation Analysis
- Target Markets
- Strategies
- Tracking and Evaluation

Value Chain

- Most of the most critical aspects of a successful compost marketing program are not specific to the compost industry.

Typical vs. Average

- Average
 - Household 1.3 adults, 2.3 children
 - Compost sale 42.5 yd³
- Typical
 - 1 adult, 2 or 3 children
 - 65 yd³ – 75 yd³
- Important for analysis and projection

Demographics

- Be able to fully describe your typical customer
 - Homeowner or Business?
 - May have more than one
 - Primary and secondary

Market to the Customer

- Recognize the end customer
- May have more than one.
 - Dealer, Prosumer or End User?

Sell Benefits Provide Features

- Feature
 - Fact
 - Technical
 - Impersonal
- Benefits
 - Qualitative

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- David Hill
- CycleLogic
- www.mycyclelogic.com
- (240) 393-0492

