

# **Making the Pitch: How to talk to retail outlets about carrying your food product**

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## **Introduction**

If you want to sell your products in a grocery store or other retail outlet, you will need to talk to the buyer to convince them that your product is worth carrying. When you are thinking about transitioning from direct-to-consumer (DTC) markets, like the farmers market or your community-supported agriculture (CSA) shares, to retail outlets, there are many things to consider. In DTC markets, you are accountable to your business and your customers. In retail outlets, you are accountable to your business, your customers, your buyer(s), and your buyer's customers. When you are ready to make the transition from DTC to retail outlets, a crucial component in the success of your brand is talking with potential buyers about your product- this is commonly called a sales pitch. Some retail grocery stores have online portals where you make your "pitch" through an online form with attached PDFs and photos. Most retailers, particularly smaller ones, though, still rely on conversations with producers to make their decisions about what products to carry in their stores. Below, you will find the main aspects that you need to think through before you go into a conversation with a buyer.

## **Why Should They Pick Your Product?**

The retail buyer is your newest customer, so you need to think about what makes your product stand out among all the other options. It is your job to sell your product to the buyer. You may think and know that you have a good product, but how will you convince the buyer? Knowing what sets your product apart requires knowing something about the retailer's customer base. Will their customer base care that you use organic growing practices, or will they dislike the price of the product as a result? Visiting the store can help you think through some of these aspects. Another way to think about what sets

your product apart is to purchase some of your competitors' products- sample them, give them to your family members, and talk through everyone's opinions of them. How do your products compare? What makes them stand out? In addition to flavor profiles, other things that can make your product stand out are your branding (including accurate product labeling and attractive packaging), your operation, your focus on sustainability or animal welfare, your use of organic production, and unique nutritional benefits, among other things. Think through all aspects of your product and brand, then decide on what sets you apart from your competitors.

## How does the product perform in your current market?

If you are currently selling your product at farmers markets or through a CSA, how does it perform? When figuring out your product performance, there are several things you can look at. Think about how much of the product you make in comparison to how much sells. Do you have a lot left over, or do you usually sell out? By tracking individual sales of products, you can have a good understanding of which products might be good to sell at a retail outlet or other wholesale market.

Some other questions to consider:

- What drives people to your product?
- What keeps people coming back to purchase your product?
- What feedback have you received from your customers? Do you have customers who regularly return to your farmers' market booth to get the same product over and over?
- What are the current market trends that might support your product? (For example, there has been a growth in cheese consumption in the past year, etc.) You can find information about current agricultural product trends on the USDA AMS Market Research & Analysis page. If you are unable to find any official data to talk about current trends, you can use feedback from customers as a replacement (for example, Sherry from Fayette Co. said that this was the best beer cheese she had had in the area).

## Knowing Your Costs

Before you speak with a retail buyer, you need to know how much your product costs you to make, package, market, store, and transport. This will allow you to set a realistic price for the buyer prior to your meeting. A General Guide to Pricing for Direct Farm Marketers and Value-Added Agricultural Entrepreneurs is a good resource to make sure

you include all aspects of production and sales when thinking through how much a product costs you to make and sell.

After you know the cost of your product, you can begin to understand your margins. Knowing your margins is incredibly important when considering if selling wholesale is right for you and your business. This is something that you should figure out and think through prior to having a conversation with a buyer. Later, when you do have a conversation with a buyer, you need to bring numbers with you. Knowing your margins helps the retailer understand their margins. Keep in mind that your margins for selling to retail outlets will look very different than selling at the farmers market or other DTC markets. You will have to sell your product to the retailer at a lower price than you would to a customer at the farmers market because they have to turn around and sell it to their customers. For some producers, a higher volume with a lower margin works well for them. For others, selling a lower volume at a higher margin at the farmers market makes more sense for their business. In addition to knowing your margins, having information ready about how much you sell on a weekly and monthly basis will also be helpful for the buyer.

## **Be Ready to Discuss Production, Distribution, and Marketing Details**

You know your current production plan and how much product you typically make. It is important to know exactly how much you will be able to supply the buyer so that you can have a realistic conversation with them about your relationship going forward. Before you talk to a buyer, you need to think through the logistics of possibly scaling up your operation if the buyer needs you to do so. What would it look like to increase your production by 10% next year or the year after that? How much would you be able to scale up to meet their demands? In addition to production, you need to know the logistics of distribution. Will you be able to work around their required delivery days? What if they need you to make an emergency delivery? Be realistic with yourself when considering distribution and understand that it may make more sense for you to utilize a distribution service if you end up selling in multiple retail outlets.

You may think that once you start selling to retail outlets instead of or in addition to DTC, your marketing budget can decrease. This is not always the case. Retail outlets will like to see that your marketing campaigns can also benefit them. Before you talk to a buyer, think through your current marketing plans and try to figure out how the retailer could fit into that. How will you drive business to the retail outlets that carry your products? Don't forget that you are selling your product to the retail buyer, and any added benefits to them can help your sales pitch.

Have you ever heard of an elevator speech? This is a short, detailed explanation of your sales pitch. It is useful to have something like this in mind, and sometimes even rehearsed, before meeting with a buyer. Remember that buyers are busy, and adjusting your pitch to meet the needs of their busy schedule can be useful in the long run. Below, you can find some points on creating an effective elevator speech.

## Crafting an effective, simple elevator sales pitch:

- Begin with how your product benefits the buyer. What unique take on your product or business will help their business? How will your product change their current product lineup or interest a different audience?
- Skip the details. If you only have a few minutes to spend with a buyer, you don't want to waste your time on a lot of detail. Make sure to focus on the important aspects of yourself, your product, and your business.
- Be prepared for questions. Come prepared for the conversation, having already prepared to answer some questions. Taking time to answer a question that you hadn't previously considered can take up important conversation time.
- End with the "ask." What are you asking of the buyer? Why did you show up today? End your conversation with what you are asking of the buyer- how much product you want to provide and on what timeline.

## Examples of simple elevator sales pitches:

*My farm grows produce year-round in our greenhouses, which benefits grocery stores that want to have fresh produce available all year. I have noticed that your store doesn't always have these options in the fall and winter, and we would like to change that. We would like to partner with you to sell our produce in your store.*

*My name is Randy Bleu, and I'm the owner of Blue Sky Cheese Co. I believe that our cheese will really add a lot to your selection here. I noticed that you only have one variety of blue cheese, and we have gotten a lot of customer feedback that the variety is important to them. We would love to be in your store. I have some samples to leave with you so that you can taste the difference.*

## Product Samples and Something to Leave with the Buyer

If you can, visit the store in person. But if you visit the store in person, keep in mind that retail buyers are very busy. They may not have time to sit down with you and have a long conversation about your business, goals, and products. If you visit a store and they have limited time to talk through your product, samples, and brochures can be a great

alternative. Providing samples will allow the buyer to make a quick assessment of the quality of your product and whether it will be a good fit in their store. In addition to product samples, a brochure or sales sheet is a useful way to communicate quickly with the buyer. The brochure or sales sheet should include the following: your logo (branding), your available products and price that it would cost the retailer to purchase them, your contact information, and any other background information that may set you apart from your competitors. In lieu of a sales sheet or brochure, a business card can be a good thing to leave with the buyer.

## What to look for when you visit a store before a buyer meeting:

1. The variety of products or produce in your genre. Consider how your product would fit among the products they already offer. Keep in mind that many stores keep products from businesses with which they have established a relationship with, so your sales pitch needs to be convincing.
2. Product seasonality. Do they have the same variety of products year-round, or do they change? How will your products fit into the cyclical nature of product selling?
3. Does your product “fit in” with the other products? For example, if the store focuses on healthy or organic foods, can you see your product there?
4. Take note of the customers. Do they look like the customers that typically visit your farmers’ market booth?
5. The costs of products. Will you be able to sell your product to the store at a low enough price that they are able to turn it around and sell it for a comparable price to the products they already have?

## Conclusion

Just as you sell your products to customers at the farmers market, you are selling your products to buyers at retail outlets. You need to find what their needs are, how you can fill those needs, and how your product fits amidst the rest of the products in their store. You want to keep your product pitch short and informative, providing the buyer with multiple reasons that they should carry your product in-store. It is important to come to the meeting having already thought through these aspects of your business.

## References/Resources:

- How To Sell Your Food Product to Grocery Stores (Part 1). Available: <https://podfoodsco.medium.com/how-to-sell-your-food-product-to-grocery-stores-part-1-d49383850793>
- Pitching Your Product to Retail Buyers. Available: <https://mrcheckout.net/product-pitch>
- 7 Tips for Persuading Boutique Retailers to Carry Your Product. Available: <https://www.inc.com/ilan-mochari/cracking-boutique-retailers.html>
- Financial Performance Measures. Available: <https://www.agmrc.org/business-development/business-management/feasibility--development-business-financials/financial-performance-measures>

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