

Southern California Organics Marketing Summit

Creating Stable and High Value Soil
Amendment Markets

June 26, 2008

John Ruetten
Resource Trends, Inc.

Workshop Objectives

- Advance Our Understanding of.....
 - Marketing Principles – Application to Soil Amendment Markets
 - Branding and Brand Assets
 - Roles of Public and Private Sector
- Identify Actions to Improve Market Performance
 - Market Stability
 - Increased Market Size
 - Higher Prices
- Focus on Problems and Improvement



Value and Risk

Context for Decision Making is Value and Risk

Solving a Problem - Providing Benefits

A Thrill!

No Benefits or Thrill – Any Risk is Too High!

Why Do I Need It? Yuck!



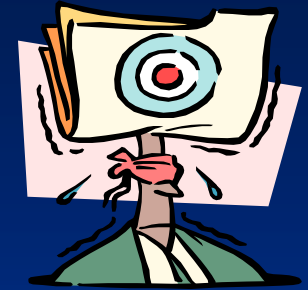
Why Marketing?

- Marketing
 - Creates Value and Communicates About Value
 - Defines What You Will Do for the Customer
 - Usually in Exchange for Money, Investment
- Productizing Our Organics Resources
 - Meet the Needs of Customers – More Specific, Higher Value
 - Brand and Market Assets
- Problems
 - Source is a Waste – Yuck!
 - Appreciation for What it Takes to Develop and Market a Product

Branded!

Branded

- Constantly Happening
 - People, Products, and Organizations
- Judgments, Perceptions, Expectations
- Negatively Branded
 - Management Shake-Ups, Corporate Failure



The Brand

- The Set of Perceptions
 - Defined By You and/or Others
- An Asset or Liability
 - Coca Cola Brand Worth Over \$60 Billion
- Logo is an Identifier
 - Not the Essence of the Brand!



The Coca-Cola Company

Branding

- Creating and Communicating Value
- Can Be Simple Ideas of Value
 - Volvo = Safe Cars
 - Southwest Airlines = Low Cost / On-Time Airline
- **Not a Slogan or Single Idea – An Experience!**



Trust and Branding

Trust that the Product is the Best Value

Trust in the Company or Organization

Trust that Someone is Managing the Risks



Product and Organizational Brands

“Tap” Water and Water Reuse Branded!

Tap Water = Safe, But Not Healthy



Physical Source = Water Quality

Potable Reuse = Yuck

“Recycled” or “Reclaimed” Emphasizes Source

Water Utility – Not the Source of Quality

Soil Amendment Marketing Issues

- The Brand of Biosolids
 - As a Product and Ingredient
 - Product or Bi-Product?
- Generator Roles
 - Investing in Marketing Assets?
 - Direct Marketing Efforts
- Private-Sector Roles
 - Brand, Product, and Market Assets
- Costs Versus Price

Sewage Sludge?

A Waste Branding Problem?

The Brand of the Sanitation Agency

Waste Manager – Need to Get Rid of it!

Competent Investor in Soil Amendment Markets?

Soil Health Expert?

Direct Marketer of Soil Amendments?

Environmental Steward?

If I Only Knew or..... I Never Knew



State of the Market

- Lack of Clarity on Appropriate Roles
 - Generators and Private-Sector Partners
 - Brand, Product, and Market Assets
- Negative Brand of Biosolids
- Market Not Yet Developed
 - Should Be Much Bigger – Why?
- Low Prices, Higher Costs
 - Still Paying to Dispose of Organics – Disposal Costs Going Up
 - Investing in Opposing Market Forces with Our Contracts?



Specific Market Issues

- Soil Get's No Respect – Big Issue!
- Urban Landscape Markets
 - Still Low Use of Amendments?
 - **Plant Survival** Rate Acceptable, “Healthier” Not an Issue?
 - Are We Selling **Greater Plant Diversity** Versus Native Plants?
 - **Water Savings** Driver Not There – End User and Landscapers
- Increasing Water Scarcity
 - Water Utilities Looking Harder at Landscape Water Savings
- Dialogue Between Water and Wastewater Agencies
 - Related to Water Saving Benefits of Organics – Not Happening



Ag?

Context (Thoughts) for the Day

Investment in Markets and Brands?

Fundamental Drivers for Use of Amendments

Market Expansion?

Soil Amendments and Water Savings?

Roles and Brands of Key Organizations?

Contracting Relationships?

Industry Cooperation?

