



HILLERMAN FAMILY HONEY

MARKETING PROPOSAL 2017

MUSTANG MARKETING FIRM

O'NEALS-MINARETS FFA CHAPTER

CALIFORNIA

CA0538



PRODUCT DESCRIPTION

After a friend brought bees to Bill Hillerman's property to produce honey, Mr. Hillerman decided he wanted to become a beekeeper and produce local honey in the Madera County foothills. Bill understood that local honey could help his community with allergy relief and that he was in a great market to sell his product to tourists on their journey to Yosemite National Park. Hillerman Family Honey focuses on providing honey in a variety of flavors at local farmers markets and at his home residence.



Each bottle and jar's contents are carefully handcrafted and inspected by Bill Hillerman to make sure his customers are receiving top-notch quality honey. Key competitors include other local producers, such as Arnett Farms, and health conscious supermarket brands such as Simply Balanced. Having been in the business for more than a decade, Hillerman Family Honey is ready to broaden their purchasing options and improve their marketing strategies to entice Yosemite tourists with a sweet-treat souvenir. Hillerman Family Honey's future foresees being able to reach more customers, while still maintaining the "mom and pop" feel and achieving returning customers for years to come.



Bill Hillerman
Founder of Hillerman
Family Honey

MARKET ANALYSIS

Client Status in Current Market

Hillerman Family Honey is a family owned beekeeping and honey producing business. All raw honey is collected and processed by Bill Hillerman in his barn, where he cures, packages, and labels all of his products to sell at local farmers markets. It was estimated in last years operations that 727 bottles and jars were sold, making a profit of \$8,991. Currently, Hillerman Family Honey has 35 bee hives in production. The honey is offered in a variety of packages, including both glass and plastic in various sizes, as well as a variety of flavors giving customers a choice in their purchases. Current marketing efforts include word of mouth and handing out business cards. Your current marketing efforts are being overshadowed by your competitor's effective social media use and print advertising.⁸

Industry Trends

Honey Health Consciousness:

- The global market for honey is projected to reach 2.4 million tons by 2022, driven by the growing consumer preference for healthier and more natural alternatives to artificial sweeteners.^{1,2}
- Consumers are much more health conscious and aware of the benefits that come from certain foods, with nearly 60% of consumers frequently checking the nutrition facts while shopping.⁴

Farmers Markets

- 64% of farmers market managers reported increased customer traffic; about the same percentage reported increases in the number of repeat customers and increases in year-on-year sales.⁵
- 84% used web and mobile-based technologies to communicate with customers, vendors, and their communities.⁵

The Tourist Souvenir Market

- Few people will take a vacation without acquiring some form of evidence to "tangibilize" the experiences gained.⁶
- Tourists are often likely to select a food item as their souvenir of choice.⁷

Buyer Profile and Behavior

The demographics of the current sales for Hillerman Family Honey include locals in Coarsegold and surrounding areas, ages 28-44, who use honey as a natural sweetener. Additionally, these consumers buy Hillerman Family Honey because they are aware of the health benefits that come along with buying locally produced honey. Your buyers also include Yosemite tourists who purchase at the Coarsegold farmers market on their way to Yosemite. By targeting both of these buyer profiles and behavior, Hillerman Family Honey seeks potential to double profits.



Inside the
Hillerman Warehouse

Honey Health Benefits Include:

- Healing Wounds and Burns³
- Treating Allergies³
- Fighting Infections³
- Common Cold Relief³



HILLERMAN FAMILY HONEY

Sources

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SWOT ANALYSIS

COMPANY & COMPETITORS

COMPANY	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
Simply Balanced 	- Cost: Less than \$5 for a 12 oz. bottle - Found in most common supermarkets - Good for diabetic patients (reduced sugar) - Quality contains rich natural nutrients	- Limited shelf life - California Proposition 65 warning for exposure to BPA from bottled foods¹³ - Most likely caters to people who are in favor of organic products	Increase awareness of health benefits	Varroa Mite, premature death of a honeybee colony¹¹
Arnett Farms 	- Strong online presence: Yelp, Facebook, featured on blogs - Strong Fresno community support - Products sold all across the Central Valley - Family owned and operated	- Cost: pricey, more than \$5 for a 12 oz. bottle - Can only be found and bought in Central California - Does not have strong advertising strategies.	Promote Education concerning the importance of honey bees to agriculture	- Recent severe drought⁹ - Significant loss in the global honeybee population⁹
Market Pantry 	- Generic flavor: Can be used in a variety of meals and foods - Large existing customer base - Low production cost - High brand value	- Only found in Target stores - Risk of BPA in plastic bottle - Pollen frequently has been filtered out of bottles (FDA issue)¹	Increase amount of hives in production	Rapid growth of Colony Collapse Disorder⁹
Hillerman Family Honey 	- Located in an area with high tourist traffic, Yosemite National Park - Small staff, allows for more income - Has a large group of loyal returning customers - Inexpensive cost for "home grown" quality	- Poor brand awareness - Unfavorable climate conditions - Less hives in production than competitors - No online presence	Partnerships with similar product companies: jelly, jams, nectar	- Recent severe drought⁹ - Majority of consumers purchase honey from supermarkets¹⁰



Ultra-High Filtration in Honey

In the U.S., the Food and Drug Administration says that any product that has been ultra-filtered and no longer contains pollen is not honey. Elimination of all pollen can only be achieved by ultra-filtering and this filtration process does nothing but cost money and diminish the quality of the honey.⁹



Colony Collapse Disorder

is the phenomenon that occurs when the majority of worker bees in a colony disappear and leave behind a queen, plenty of food and a few nurse bees to care for the remaining immature bees and the queen.¹²



HILLERMAN FAMILY HONEY

Sources

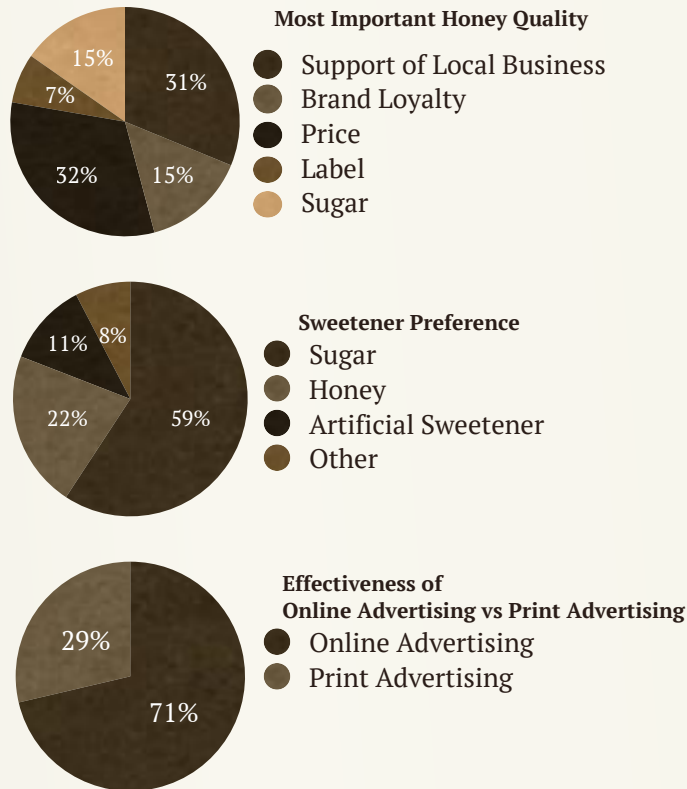
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PRIMARY RESEARCH RESULTS

Primary research results were compiled from the original 157 surveyed individuals across the California Central Valley. Furthermore, a focus group of 10 moms who would potentially be a part of our target market were questioned.

Results helped to determine the biggest competitors and marketing opportunities; including price, sweetener preference, and marketing platform.

From the surveys, we concluded that out of all questioned individuals who purchase honey in the California Central Valley area, 81 people are more in favor of buying local honey, as opposed to retail. There were 50 people who stated that the most important quality when selecting honey is price. These results helped Mustang Marketing Firm determine a target market for marketing.



Comments from Focus Group of Moms

- “I am in favor of supporting local businesses”
- “Prices under \$12 are essential”
- “I don’t like high sugar content”

BUSINESS PROPOSAL

Mission Statement

Hillerman Family Honey seeks to provide residents of the Central Valley and seasonal tourists with nutritious, and tasty, family grown honey in a variety of flavors. Originating from a small hobby and expanding to a full-fledged business, Hillerman Family Honey strives to sell high-quality honey while promoting the importance of honey bees to agriculture and society.

Key Planning Assumptions

The following assumptions were made to help develop the marketing plan.

- Consumers want to gain the health benefits that come along with local honey.
- Buyers wish to support local businesses.
- Customers use honey as an alternative to sugar.
- Adults are the core buyers for honey.



Community Outreach

Bill Hillerman attends Minarets High School Spring AG day to promote the importance of honey to agriculture and society.

GOALS

Short Term Goals: Place and Profit

Year	Farmers Market Sales	Online Sales	Tourist Shop Sales	Gross Profit
Year 1 (2018)	750	75	100	\$11,440.00
Year 2 (2019)	1000	100	150	\$22,800.00
Year 3 (2020)	1250	125	200	\$30,260.00

Long Term Goals: Within 5 years

- Expand distribution of Hillerman Family Honey to new retailers.
- Travel to sell at new farmers markets including, Fresno, Santa Cruz, and Prather.
- Increase brand awareness in the Coarsegold community by attending community events and increasing social media usage.
- Improve online marketing and sales by utilizing Facebook and your website.



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TARGET MARKET

Primary Target Market

The primary target market is health conscious moms aged 28-44 who live in either the Coarsegold community or surrounding Central Valley cities. These moms understand the health benefits that come along with local honey. Health conscious moms wish for an artificial sweetener alternative to promote healthiness within a family's diet.¹⁴



Secondary Target Market

The secondary target market is tourists aged 40-49 who are traveling to Yosemite National Park in the most populated months of July and August.^{15,16} Souvenirs are an important element of any vacation and tourists are often likely to pick a food item, such as honey, as a souvenir.¹⁷

ACTION PLAN

PRODUCT



Hillerman Family Honey exclusively sells honey. This honey is produced locally and comes in three delicious flavors; alfalfa, wildflower, and orange. Hillerman Family Honey is then cured and carefully poured into jars and bottles in a variety of sizes ranging from 6 ounces to 24 ounces.

A 3 ounce bottle option will be sold for on the go and travel use. Hillerman Family Honey will display "California Made" and "Family Owned and Operated labels" on the back of the bottle.



PRICE

Hillerman Family Honey prices their products comparably to generic supermarket brand prices. With various costs for each packaging option and size, the prices were raised by \$1 to help offset the costs of expanding your hives and operations within the next few years. Cases of various sized jar and bottles of honey will be sold to local tourist shops for \$0.70 per ounce with a suggested retail price of \$0.90 per ounce (22% margin). For farmers markets, when a customer brings back their used jar, they will receive a \$2 credit toward their next purchase.

ITEM	PRICE
12 OZ BOTTLE	\$9.00
24 OZ BOTTLE	\$11.00
6 OZ JAR	\$5.00
16 OZ JAR	\$11.00
24 OZ JAR	\$13.00
2 OZ HONEY STICKS	\$2.00
3 OZ TRAVEL BOTTLE	\$1.50

PLACE

- **Direct Internet Sales:** Hillerman Family Honey will be available for purchase online at the Hillerman Family Honey (hillermanfamilyhoney.com) which is available on all desktop computers and smartphone devices. Purchasing methods will include credit cards and PayPal options.
- **Direct Sales- Farmers Markets:** Hillerman Family Honey will be found at several farmers markets throughout the Central California, such as Coarsegold, Yosemite Lakes Park, Fresno, Santa Cruz, and Prather.
- **Indirect Retailer- Yosemite Tourist Gift Shops:** Hillerman Family Honey's products will be available for purchase at Yosemite Gifts, The Yosemite Lodge, and Tenaya Lodge.

The California Central Valley

- 18,000 square miles¹⁸
- 6.5 million people¹⁸



Fresno Farmers Market



Yosemite Valley Lodge Gift Shop



HILLERMAN FAMILY HONEY

Sources

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PROMOTION

DIGITAL MARKETING

Facebook

- Farmers market attendance dates
- Health and nutrition fun facts about honey
- Recipe ideas that include Hillerman Family Honey
- Quarterly 'Like it, Share it, Win it' contests



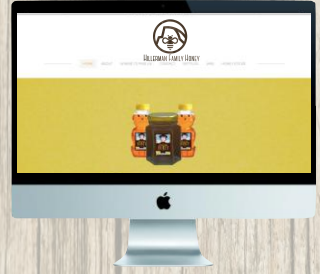
Pinterest

- Recipe ideas that include Hillerman Family Honey
- Health and nutrition infographics explaining the importance of local honey



Website

- Hosted by weebly.com (business account)
- Product Information and where to buy
- Online store
- Farmers market attendance calendar dates



PRINT MEDIA

Sierra Star Newspaper

- Purchase an ad space to feature your brand and farmers market attendance dates in the local Sierra Star newspaper. Other elements will include the logo, brief product description, and website URL.

OUTDOOR MEDIA

Private Directional Road Sign

- Develop brand familiarity
- Prompt a purchase: As consumers drive by, they will see the sign, stop at that warehouse to purchase.



FARMERS MARKET DISPLAY

Booth Design & Branding

- Booths will be set up in more local farmers markets.
 - Banners with new logo
 - Benefits of honey infographic poster
 - Business cards with website and warehouse information
 - Mailing list (email or postcard) sign up



Infographic poster for display

YOSEMITE AREA RAPID TRANSPORT BUSES

Tourist Y.A.R.T. Buses Advertisement

- Purchase an ad space on the back of the bus seat
- Appealing to tourists
- Helps familiarize tourists with brand and logo before visiting the gift shops
- Will Include website and where to purchase in Yosemite.



Business Cards

POSITIONING

For health conscious moms and tourists who seek a natural sweetener, Hillerman Family Honey provides unique products for customers to sweeten and provide added flavor to a wide variety of foods, all with a home-grown, authentic quality. Unlike competitors products, Hillerman Family Honey encourages community support and awareness of honey bees in today's society and agriculture. Bill Hillerman, the founder of Hillerman Family Honey, is eager to meet his customers and interact with them to provide them with a personalized experience in deciding what honey will be best for them.



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BUDGET

Marketing Budget

	YEAR 1	YEAR 2	YEAR 3
Marketing Expenses			
Banners/Posters for Farmers Markets	\$60.00	\$0.00	\$0.00
BUSINESS CARDS	\$18.00	\$18.00	\$18.00
Sierra Star Advertising Space (3 Times a Year) @\$18.00	\$54.00	\$54.00	\$54.00
Private Directional Road Sign	\$0.00	\$1,100.00	\$0.00
Postcards for Mailing List (Twice a Year) @\$0.58	\$87.00	\$116.00	\$145.00
Y.A.R.T. Bus Advertisement (3, 4 Week Periods) @\$50.00	\$150.00	\$150.00	\$150.00
Samples at Farmers Market Booth/Events	\$20.00	\$45.00	\$45.00
Facebook Sponsored Posts	\$15.00	\$20.00	\$35.00
Product Packaging and Labeling	\$715.00	\$1,430.00	\$2,680.00
Update Branding Package	\$500.00	\$0.00	\$0.00
Total Marketing Costs	\$2,719.00	\$1,833.00	\$3,127.00

Pro Forma Income Statement

Hillerman Family Honey Pro Forma Income Statement			
REVENUE	YEAR 1	YEAR 2	YEAR 3
Gross Sales	\$11,440.00	\$22,880.00	\$30,260.00
Less Coupons Received	-\$275.00	-\$575.00	-\$775.00
Net Sales	\$11,165.00	\$18,625.00	\$29,485.00
OPERATING EXPENSES			
Website Service	\$100.00	\$100.00	\$100.00
Bee Boxes	\$65.00	\$65.00	\$65.00
Bees	\$110.00	\$220.00	\$330.00
Medication and Hive Maintenance	\$300.00	\$350.00	\$400.00
Equipment	\$400.00	\$450.00	\$500.00
Farmers Market Booth Entry Fees	\$500.00	\$1,000.00	\$1,500.00
Total Operating Expenses	\$1,565.00	\$2,185.00	\$2,895.00
Marketing Expenses	\$2,719.00	\$1,833.00	\$3,127.00
Total Expenses	\$4,284.00	\$4,018.00	\$6,022.00
Net Income Before Taxes	\$6,881.00	\$14,607.00	\$23,463.00
Return on Investment	60%	263%	290%

What will the strategies cost?

Year 1):

Marketing Expenses:
\$2719.00

Operating Expenses:
1563.00

Total: \$4284.00

Year 2):

Marketing Expenses:
\$1833.00

Operating Expenses:
\$2185.00

Total: \$4018.00

Year 3):

Marketing Expenses:
\$3127.00

Operating Expenses:
\$2895.00

Total: \$6022.00

Financial Return

According to the income statement, Hillerman Family Honey can expect a return on an investment of 60% in Year 1, 263% in Year 2, and 290% in Year 3. We expect these products to make a Net Income Before Taxes of over \$43,000 over the three year roll out.



HILLERMAN FAMILY HONEY

BENCHMARKS

Gross Income Benchmarks



Amount of Tourist Shops selling Hillerman Family Honey Products

- By the end of 2018: 2 shops
- By the end of 2019: 4 shops
- By the end of 2020: 8 shops

Social Media Reach Benchmarks

- By the end of 2018: avg. of 100 views on each post
- By the end of 2019: avg. of 500 views on each post
- By the end of 2020: avg. of 1000 views on each post



Facebook Post Example

MEASURABLE TOOLS

- **Quickbooks:** Hillerman Family Honey will continue to use the company's existing computer software Quick Books, to keep precise records of expenses, sales, inventory, and customer database. This software will be updated after farmers market events and tourist shop sales so the number of physical sales can be accurately measured. This program also measures and provides statistics of the company's profits and sales benchmarks.
- **Facebook Reach Tool:** Facebook reach tracks the number of unique people who saw Hillerman Family Honey's posts. It also every other metric you can track: engagement, likes, comments, clicks and negative feedback. Will help to determine what type of posts are most popular.



FUTURE CONTINGENCIES

If the first benchmark is not met by June 1st of Year 1, we suggest evaluating the price structure or accelerating the target market. If further benchmarks are not met, we suggest buying market materials at a lower cost. If sales are lower than expected, we suggest not paying for Weebly-Business and switch to the free version with fewer benefits. If Facebook post reach benchmarks are not being met we suggest purchasing sponsored posts to reach more views.

CONCLUSION

Mustang Marketing Firm is eager to transform Hillerman Family Honey's business success by helping put your brand out there, by expanding to online sales, marketing and selling at tourist shops, and utilizing social media to your advantage. You will be the first in your area to provide consumers with a natural honey that is produced by a wholesome and honest company. Hillerman Family Honey will be the leading honey producer in the Central Valley, and together we can spread the buzz about your brand.



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