

**Marketing Proposal
For**



**Buffalo FFA Chapter - MN0043
Minnesota
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MARKET ANALYSIS

Description of Product and Client's Status in Current Market

Community Lawn Care (CLC) was founded in 2004 and is a branch of Centra Sota Cooperative. CLC employs 1 administrator and 5 applicators. Services offered include lawn fertilizer, weed/pest control, aeration, seeding, and hanging Christmas lights at homes and businesses. Historic annual growth has been 7 to 9%, but in recent years has slowed to 2 to 3%. In 2023, sales dropped 17% due to poor job scheduling, which increased travel time. This limited the number of customers applicators could service daily. In 2023, CLC had 1,100 customers and sales of \$896,000. More than 80% of CLC's revenue came from fertilizer and weed control programs and is the largest provider of fertilizer and weed control in its market. Scott's Lawncare and TruGreen are CLC's main competitors, with TruGreen being the primary competitor in the market. Promotion at CLC presently includes its website, Facebook page, word of mouth, and the CLC logo on its service trucks. CLC supports local communities by giving 3% of its revenue to 15 local nonprofit organizations, which include several lake associations and youth sports organizations.

There are more than 450 lakes¹ in the 4 counties that are part of CLC's market area, and all CLC employees live in its market area. Also, the public is becoming more aware of the impact of lawn fertilization on water quality. Thus, CLC is seeking to address the unmet market need for lawn fertilizers that are better for the environment, pets, and humans. Starting in the 2023 growing season, CLC eliminated the use of traditional fertilizers that require multiple applications throughout the growing season and opted to apply only a water-insoluble fertilizer product branded as SIFI. This product requires only one application in early spring and slowly releases nutrients throughout the entire growing season. In addition to increasing CLC's labor efficiency, SIFI is safer for the environment as this fertilizer is less likely to leach into ground and surface water, minimizing the nitrate content of water and algae blooms. Elevated levels of nitrates in groundwater have been associated with increased cancer rates in animals and humans². The task given to MLK Marketing is to develop a marketing plan to increase sales of SIFI.

Industry Trends

Over 40% of Americans employ landscaping professionals, with the largest segment being owners of single-family homes that have an annual household income of more than \$100,000³. Revenue from the landscaping industry has grown 6.6% annually in recent years³ and 32% of companies report lawn care is their fastest-growing service⁴. However, profits of landscape companies have been squeezed as expenses have grown 11.9% annually⁴. A further challenge facing landscape companies is a shortage of quality labor, with 43% of landscaping companies reporting that an insufficient supply of quality labor will slow their growth over the next three years⁴.

A separate obstacle facing the industry is the public's growing concern about the impact of lawn care products on the environment, as well as the health of family members and pets⁴. This has resulted in increased government regulations for the lawn care industry⁵. Eleven states including Minnesota have enacted regulations on residential lawn fertilization⁶. Thus, marketing lawn care products that have less impact on the environment and human and pet health has commercial value.

¹ TopoZone. (n.d.). *Free USGS Topo Maps for the Entire United States*. Locality, LLC. Retrieved February 21, 2023, from <https://www.topozone.com>

² National Cancer Institute Cancer. (2024, March). *Cancer Trends Progress Report*. U.S. Dept. Health and Human Services, National Institute of Health. <https://progressreport.cancer.gov/prevention/nitrate>

³ Jobber Academy. (2022). *25 Landscaping industry statistics and trends to watch in 2023*. Jobber Academy. <https://getjobber.com/academy/lawn-care/lawn-landscaping-industry-statistics/>

⁴ Bhatt, G. (2022, September 23). *Lawn care industry statistics and trends you should follow in 2023*. FieldCamp. <https://www.fieldcamp.com/blog/lawn-care-industry-statistics-and-trends/>

⁵ Campbell, J., Rihn, A. & Khachatryan, H. (2020). Factors Influencing home lawn fertilizer choice in the United States. *Horttechnology*, 30(3), 296-305. <https://doi.org/10.21273/HORTTECH04454-19>

⁶ Bawa, V. (2023, November 18). *This type of lawn fertilizer is banned in some states*. HouseDigest. <https://www.housedigest.com/1447287/lawn-fertilizer-type-banned-some-united-states-phosphorus/#:~:text=Turf%20fertilizer%20containing%20phosphorus%20is,its%20drawbacks%20outweigh%20the%20benefits.>

Buyer Profile and Behavior

Eighty percent of CLC's revenue is from homeowners and the remaining 20% is from businesses. CLC's typical client is in their mid-40s, earns more than \$100,000/year, spends about \$680 on fertilizer and weed/pest control, and about \$140 on other CLC products and services. Due to custom fertilizer application being a service of convenience, CLC has seen an increase in younger clients due to these clients' busy schedules. Before 2023, CLC would lose 5 to 10% of its customers each year. The typical customer who leaves CLC is retired and has more time to devote to lawn care and/or is on a fixed income.

Only about 25% of CLC's customers are in a cluster. A cluster is defined as a group of about 6 customers located within 2 city blocks of each other that spend a total of about \$4,000 annually on fertilizer and weed/pest control. These customers are located close enough to each other that the applicator can service the entire cluster without having to unload and reload equipment between clients, increasing labor efficiency. CLC estimated that they could increase their fertilizer and weed/pest control business by 35% without additional labor or equipment if all customers were in a cluster.

Neighborhood pressure affects the amount of money people spend on their lawns and the use of environmentally friendly lawn care products⁷. Property owner age is only slightly correlated with lawn care expenditures⁶, but homeowners who value space for children to play tend to spend more on lawn care⁸.

SWOT Analysis for Community Lawn Care and Its Competitors

Business	Strengths	Weaknesses	Opportunities	Threats
TruGreen 	• Reputation for lawn care expertise • Nationwide, good brand recognition • Aggressive, motivated sales team	• Liquid fertilizer ◦ Requires multiple applications during growing season, increasing labor ◦ Water soluble, dissolves in rainwater & runoff, polluting surface & groundwater	• Utilize fertilizer that increases labor efficiency • Capitalize on demand for environmentally friendly fertilizer	• Increased lawn fertilizer regulation • Sales subject to weather • Labor availability
Scott's Lawncare 	• Provides multiple services including fertilizer & weed control application, lawn mowing, & snow plowing • Reputation for quality • Locally owned	• Higher priced than TruGreen • Fertilizer ◦ Requires multiple applications during growing season, increasing labor ◦ Water soluble, dissolves in rainwater & runoff, polluting surface & groundwater	• Utilize fertilizer that increases labor efficiency • Capitalize on demand for environmentally friendly fertilizer	• Increased lawn fertilizer regulation • Sales subject to weather • Labor availability
Community Lawn Care 	• Locally owned • Sell quality & service • Exclusive water-insoluble fertilizer ◦ 1 application/year, increases labor efficiency ◦ Decreased risk of polluting surface & groundwater	• Do not offer services beyond fertilizer & weed/pest control, & lawn aeration & seeding • Do not actively promote benefits of extended-release, water-insoluble fertilizer product to customers • Do not include customer reviews on their website or social media platforms	• Promote benefits of water-insoluble fertilizer, targeting households with pets/kids and/or have lawns in environmentally sensitive areas	• Increased lawn fertilizer regulation • Sales subject to weather • Labor availability

⁷ Locke, D.C., Polsky, C., Grove, J.M., Groffman, P.M., Nelson, K.M., Larson, K.L., Cavender-Bares, J., Heffernan, J.B., Chowdhury, R.R., Hobbie, S.E., Bettez, N.D. Hall, S.J., Neill, C., Ogden, L., & O'Neil-Dunne, J. (2019). *Residential household yard care practices along urban-exurban gradients in six climatically-diverse U.S. metropolitan areas*. *PLoS ONE* 14(11), e0222630.
<https://doi.org/10.1371/journal.pone.0222630>

⁸ Fuentes, T.L. (2021). Homeowner preferences drive lawn care practices and species diversity patterns in new lawn floras. *Journal of Urban Ecology* 7(1), 1-13.
<https://doi.org/10.1093/jue/juab015>

Primary Research Results

Two surveys were conducted to better understand the public's behaviors and attitudes related to lawn fertilizer. First, the greater Buffalo Community was surveyed via the Buffalo Community Facebook page. Ninety people responded to the survey. Of the people responding:

- 32.2% were in their 40s, 23.3% in 30s, 20% under 30, 14.4% in 50s, and 10% > 60.
- 35.6% of people surveyed use a lawn care service to apply lawn fertilizer and their responses were similar to people who did not use a service to apply lawn care products.
- 43.8% of people who use a service to apply lawn fertilizer chose them based on the products they use.
- 54.4% of respondents noted their biggest concern with lawn fertilizer was safety for pets and humans, 18.9% fertilizer quality, and 14.4% contamination of groundwater.
- All respondents either chose safe for the environment or greener lawns as what they value in lawn fertilizer.
- 37.8% were willing to pay 10% more for a product that was better for the environment and 35.6% were willing to pay 5% more.

A second survey was emailed to over 800 CLC customers. A total of 140 people responded to the survey. Of the people responding:

- 66.4% noted convenience as what they valued most in lawn service, 43.6% specialized in lawn fertility and weed control, 33.6% locally owned business, 32.9% safe for the environment, 25.0% priced competitively, and 18.6% best-looking lawn.
 - Younger respondents valued convenience most, while older respondents rated specialized in lawn fertility and weed control, and safe for the environment highest.
 - People with incomes >\$100,000 valued convenience most in a lawn service, followed by specializing in lawn fertilizer and weed control, followed by products safe for the environment, followed by locally owned.
 - People living near a lake with an income >\$100,000 valued convenience most in lawn service, followed by specializing in lawn fertilizer and weed control, followed by locally owned, followed by products safe for the environment.
- 61.4% heard about CLC from a friend or neighbor, 18.6% from an advertisement, 18.6% saw CLC's service vehicles, 5.7% via social media, and 2.1% via lake association.

BUSINESS PROPOSAL

Mission Statement

Community Lawn Care, growing beautiful lawns using safer, greener, earth-friendly products to create stronger and healthier communities.

Key Planning Assumptions

1. Per interviews with CLC management and data provided by CLC:
 - a. The typical CLC client spends about \$680 on fertilizer and weed/pest control and about \$140 on other CLC services for a total of \$820/customer. Supplies, and other consumables needed to provide services for customers will be 50% of the price of services or \$410 per customer.
 - b. With 25% of customers in a cluster, each applicator can service 265 customers when clients are scheduled such that the total daily drive time for applicators is less than 1 hour. Thus, CLC can service an additional 225 customers without hiring additional labor. If all customers are in a cluster, CLC can service an additional 385 customers without hiring additional labor.
 - c. CLC will average 3 service visits to a household.
 - d. CLC personnel will have time to do weekly postings on Facebook, Instagram, LinkedIn, and YouTube without having to hire additional labor. The person doing the posting will be a salaried employee and not an hourly employee.
2. To increase customer numbers by 5, 10, and 15% in 2024, 2025, and 2026 vs. 2023, CLC will need to increase customer numbers to 1155, 1210, and 1265 in 2024, 2025, and 2026, respectively. Thus, the number of customers will increase by 55 each year. Because CLC typically loses 5 to 10% (average customer loss, 7.5%) of its customers each year, it needs to add 83, 87, and 91 customers to replace customers lost in 2023, 2024, and 2025. Thus, CLC will need to add a total of 138, 142, 146 new

customers in 2024, 2025, and 2026 to grow its customer numbers to 1155, 1210, and 1265, respectively in 2024, 2025, and 2026.

3. Households with annual incomes >\$100,000 are most likely to use a professional applicator to apply fertilizer and weed/pest control⁹.

4. CLC will achieve a 2.5% customer referral rate, which is close to the industry average of 2.35%⁹.

5. Due to incentives, CLC employees will identify 2 customers for each 1 customer obtained via customer referrals. Thus, 87, 90, and 96 new CLC customers will come from employee identification or customer referrals in years 1, 2, and 3, respectively. This will help build customer clusters as customers are likely to recommend neighbors and employees will only be rewarded for identifying customers that will be part of a cluster.

6. Customers will respond 15% of the time to a request to leave a review¹⁰.

Short- and Long-Term Goals

Year 1 Goals	• Increase revenue by \$82,400 & profit by \$28,200 over 2023 revenue and profit. • Increase the number of customers by 55 over number of customers in 2023. • Increase the percentage of customers in clusters to 30%.
Year 2 Goals	• Increase revenue by \$164,800 & profit by \$97,700 over 2023 revenue and profit. • Increase the number of customers by 110 over number of customers in 2023. • Increase the percentage of customers in clusters to 34%.
Year 3 Goals	• Increase revenue by \$247,200 & profit by \$154,600 over 2023 revenue and profit. • Increase the number of customers by 165 over number of customers in 2023. • Increase the percentage of customers in clusters to 38%.
Long Term Goals (By 2029)	• Increase the percentage of customers in a cluster to 50%. • Rebrand CLC and SIFI's logos.

Target Market

CLC's primary target market will be households within 25 miles of Buffalo, MN, and are located near current customers (within 2 city blocks of each other) such that the applicator will not have to unload and reload equipment when servicing these households. This increases CLC's ability to service more customers with the same amount of labor and equipment. CLC will focus on environmentally sensitive areas, such as those close to lakes and streams and in areas with sandy soil, where current customers are located. These customers and prospects benefit most from SIFI's features - water-insoluble, and slow release of the fertilizer over the full growing season. The secondary market that CLC will target will be people in their late 30s and early 40s who have annual incomes >\$100,000. CLC's analysis found that most of their customers have been with them many years and CLC typically loses customers when they retire and/or are on a fixed income. The more customers CLC can get at an earlier age, the longer they will be CLC customers. Furthermore, people in their late 30s and early 40s are likely to have kids and tend to spend more on lawn care⁸.

STRATEGIES AND ACTION PLAN

Product

The SIFI product, exclusive to CLC, is an extended-release, water-insoluble fertilizer that breaks down with heat, resulting in a slow continual release of nutrients throughout the growing season. This allows lawns to utilize the nitrogen more efficiently from the fertilizer, resulting in less of it running off into surface water. In sandy soils, the slow release of the SIFI fertilizer allows the lawn to use the fertilizer before it leaches out of the turf's root zone and into groundwater, resulting in better-looking lawns with

⁹ Referral Rock Team. (2023, May 24). Referral Rates: 9 Ways to improve it. *Referral Rock*. [https://referralrock.com/blog/referral-rates/#:~:text=The%20global%20average%20referral%20rate,between%203%25%20and%205%25\):text=The%20global%20average%20referral%20rate,between%203%25%20and%205%25\)](https://referralrock.com/blog/referral-rates/#:~:text=The%20global%20average%20referral%20rate,between%203%25%20and%205%25):text=The%20global%20average%20referral%20rate,between%203%25%20and%205%25)

¹⁰ Ghann, J. (2024). 59 online review statistics you need to know in 2024. *Fera*. <https://www.fera.ai/blog/posts/online-product-review-statistics-ecommerce-stores-need-them>

less environmental impact¹¹. Finally, extended-release fertilizer products such as SIFI have been shown to be safer for pets and humans¹² as they minimize nitrate content of water and algae blooms. Elevated levels of nitrates in water have been associated with increased cancer rates in animals and humans².

In contrast, fertilizer products which break down with water and release nutrients over a 4-6-week period, require multiple applications during the growing season. Water-soluble fertilizer products are also more likely to pollute surface water and/or leach into groundwater¹³.

Price

Market analysis found SIFI fertilizer programs to be 20 to 30% less expensive than TruGreen. We recommend that CLC raise the prices for the SIFI fertilizer programs an additional 5% each year for the next 3 years, as compared to 2023 prices, as almost 75% of people surveyed in the greater Buffalo Community are willing to pay 5% or more for fertilizer products that are safer for the environment, pets, and humans. Also, 38% of CLC customers use them because they are cost-competitive. So, in year 3 of the plan, prices would be 15% higher than 2023 prices. This brings prices for the SIFI fertilizer programs closer to TruGreen prices and will reflect the additional value SIFI brings to customers over TruGreen products. This assumes the static cost of supplies and that TruGreen does not increase their prices.

SIFI Products & Price Summary. All products include 1 season-long fertilizer application plus creeping Charlie and crabgrass control.	Current CLC Price, \$/12,000 ft ²	Proposed Prices/12,000 ft ² by Year		
		2024	2025	2026
SIFI 4 (3 weed treatment applications)	\$389	\$408	\$428	\$447
SIFI 3 (2 weed treatment applications)	\$363	\$381	\$399	\$417
SIFI G (2 weed treatment applications, grub control)	\$492	\$517	\$541	\$566

Place

The market area will be a 25-mile radius around CLC's headquarters to minimize the time employees spend driving to customers. This area has more than 80,000 households with annual incomes >\$100,000. Population growth in this area since 2020 is 2.2%¹⁴. Towns in this area with populations greater than 10,000 people include Monticello, Buffalo, Rogers, St. Michael, Maple Grove, Plymouth, Elk River, Big Lake, Waconia, Ramsey, and Anoka. Monticello, Elk River, Big Lake, Ramsey, and Anoka are in areas where sandy soils are prevalent¹⁵. Also, there are more than 450 lakes in the 4 counties that are part of CLC's market area. The median age of the population is 38.8 years and 43.5% of the population is between 35 and 65 years of age¹⁴.

Promotion

1. Redesign CLC's website and Facebook page with the following changes:
 - a. Describe how SIFI works, why it is better at creating healthy lawns, and why it is safer for humans, pets, and the environment. Prominently post SIFI's features, benefits, and logo and that CLC is the only fertilizer applicator using the water-insoluble, slow-release SIFI product.
 - b. Add a link for customers to refer a friend or neighbor.

¹¹ Minnesota Water, Let's Keep It Clean. (2005). *Responsible Lawn Fertilization Tip Sheet*. Scott County, Minnesota. <https://www.scottcountymn.gov/DocumentCenter/View/1300/Responsible-Fertilizing-PDF>

¹² Lawrence, D., Wong, S.K., Low, D.Y.S., Goh, B.H., Goh, J.K., Ruktanonchai, U.R., Soottitantawat, A., Lee, L.H., & Tang, S.Y. (2021). Controlled Release Fertilizers: A Review on Coating Materials and Mechanism of Release. *Plants*, 10(2), 238-262. <https://doi.org/10.3390/plants10020238>

¹³ McKenzie-Mohr & Associates. (2007). *Reducing fertilizer use and increasing the use of slow-release fertilizer*. Southwest Florida Water Management District. https://www.swfwmd.state.fl.us/sites/default/files/medias/documents/Fertilizer_Final_Report.pdf

¹⁴ World Population Prospects. (2024). *World population review*. United Nations. Retrieved January 21, 2024, from <https://worldpopulationreview.com>

¹⁵ Minnesota's Comprehensive Wildlife Conservation Strategy. (2006). *Anoka Sand Plain subsection profile*. Minnesota Department of Natural Resources. https://files.dnr.state.mn.us/assistance/nrplanning/bigpicture/cwcs/profiles/anoka_sand_plain.pdf

- c. Create a section describing common lawn problems and how to address them to highlight the technical expertise of CLC's staff and to draw people to the CLC website and Facebook page. The survey of the greater Buffalo Community indicates that 54.4% of respondents actively sought information about lawn care and 64.8% did their research online.
 - d. List on CLC's website and social media local organizations that it supports and post on the website and social media pictures of CLC presenting checks to these local organizations. Checks should be given in January and February as this is a slow time for CLC and CLC customers need to renew their contracts in February.
2. Facebook postings should also be on Instagram and LinkedIn. Facebook and LinkedIn are the top social media platforms used by CLC's secondary target market, people in their late 30s and early 40s and those with annual incomes greater than \$100,000¹⁶. Postings should be weekly and feature videos of CLC personnel discussing lawn problems and maintenance. Regular activity and video will help CLC get more traction on social media¹⁷. These videos should also be posted to a CLC YouTube channel as it is heavily used by CLC's secondary target market¹⁸.
3. Due to the role neighbor pressure plays in lawn care, due to greater than 60% of CLC's customers hearing about CLC via friends and neighbors, and due to the impact of customer advocacy on increasing sales⁷, additional recommendations include:
 - a. Customers who refer prospects who become customers are awarded \$50 per referral that can be used for future CLC or Country Store purchases (CLC and Country Store are part of Centra Sota Cooperative).
 - b. Customers are contacted, via email, after CLC services the lawn asking them to review and rate the service. In this email, customers are thanked for their business and SIFI's features and benefits are noted to reassure customers that they made the right choice. Customers will receive \$5 per review that can be used for future CLC or Country Store purchases. These reviews will be posted on CLC's website and social media platforms. Ninety percent of buyers read online reviews before purchasing a product and 66% of consumers state that having a lot of online reviews increases trust in a brand. Many do not trust brands without reviews⁹. Currently, CLC does not post ratings or reviews on their website or social media platforms. It is important that these reviews be updated routinely as 77% of potential customers do not trust reviews older than 3 months⁹.
 - c. All reviews are posted on CLC's website and social media platforms. Negative reviews are difficult but posting them increases the credibility of posted reviews⁹. It is important that CLC promptly respond to any issues that result in a negative review.
4. Implement a program where Centra Sota's propane, Country Store, and CLC employees get \$50 for finding a new customer located close enough to current customers that they become part of a customer cluster. At the end of the year, the employees who find the most, second most, and third most new customers will get \$750, \$500, and \$250, respectively.
5. To increase curiosity within neighborhoods of SIFI and awareness of CLC customers using it, we recommend that CLC replace the 3" by 3" sign it places on lawns it services with a 12" x 18". The sign will have a QR code linked to CLC's website where the benefits of SIFI will be listed. It will also list SIFI vertically on the sign with the S standing for Stronger Communities, I, Incredible Lawns, F, Friendly for the Environment, and I, Integrity.
6. There are approximately 40 lake associations in Wright, Hennepin, Carver, and Sherburne counties, the 4 counties that are part of CLC's target market area¹⁸. These lake associations are concerned with maintaining water quality. We recommend that CLC direct mail these lake associations explaining why CLC's exclusive SIFI products are better for the environment and less likely to contaminate surface water than other lawn fertilizers. For lake associations that have homeowners who are part of a CLC customer cluster, CLC will add the lake association to the list of local organizations that customers can choose to support with 3% of their CLC bill.

¹⁶ Pew Research Center. (2024, January 31). *Social media fact sheet*. <https://www.pewresearch.org/internet/fact-sheet/social-media/?tabId=tab-5b319c90-7363-4881-8e6f-f98925683a2f>

¹⁷ Mason, A. (2023). 8 tips to improve your social media presence. *Twitter*. <https://business.twitter.com/en/blog/8-tips-to-improve-your-social-media-presence.html>

¹⁸ Minnesota Lakes and Rivers. (2024). MLR member lake associations. <https://mnlakesandrivers.org/lake-associations/lake-associations-list/>

Position

The unique selling position of the value-added SIFI is that it is a water insoluble, extended-release fertilizer product that is safer for pets, humans, and the environment than other fertilizer products. SIFI will be applied by trained lawn care experts resulting in great-looking lawns and CLC is the only fertilizer application service using the SIFI product. With the price increases that MLK Marketing is recommending, SIFI fertilizer programs will have pricing comparable to TruGreen fertilizer programs but provide customers with additional benefits including, safer for the environment, pets, and humans.

IV. BUDGET	Year 1	Year 2	Year 3
Increased Revenue			
Additional customers vs. 2023, \$820/typical customer, 55 customers year 1, 110 year 2, 165 year 3	\$45,100	\$90,200	\$135,300
Price increase from 2023 for current customers, 5% year 1, 10% year 2, 15% year 3	\$37,318	\$74,637	\$111,955
Increased Gross Income	\$82,418	\$164,837	\$247,255
Increased Expenses			
Website, year 1, redesign and setup, years 2 & 3, maintenance	\$ 3,000	\$ 500	\$ 500
Supplies to service additional customers, \$410/typical customer, 55 customers year 1, 110 year 2, 165 year 3	\$ 22,550	\$ 45,100	\$ 67,650
New customer rewards, \$50/customer, 87 customers year 1, 90 year 2, 96 year 3	\$ 4,350	\$ 4,500	\$ 4,800
Employee reward program for finding new customers	\$ 1,500	\$ 1,500	\$ 1,500
Payments for completed reviews, \$5/completed review	\$ 2,599	\$ 2,723	\$ 2,846
Additional cost for bigger signs, \$0.75/sign, 3 signs/customer	\$ 2,599	\$ 2,723	\$ 2,846
3% of new revenue donated to charity	\$ 2,473	\$ 4,945	\$ 7,418
Direct mailers to lake associations, \$2/mailer, 40 mailers/year	\$ 80	\$ 80	\$ 80
MLK marketing fee	\$ 15,000	\$ 5,000	\$ 5,000
Total Expenses	\$ 54,151	\$ 67,071	\$ 92,640
Net Profit Before Taxes	\$ 28,267	\$ 97,766	\$154,615
Return On Investment Before Taxes	52.2%	145.8%	166.9%

EVALUATION OF SUCCESS

AgVend, CLC's customer contact software, and the income statement of CLC's accounting software, AgVance will be the tools used to evaluate the success of the market plan. The criteria for success are listed in the table on the right. If these criteria are not met, MLK Marketing will assess SIFI's promotional activities and pricing as noted below.

1. If criteria for customer numbers and customer clusters are not met, MLK Marketing will survey current and former customers, and prospects to determine the level of awareness of SIFI's added value and if its price aligns with its value. MLK Marketing will also conduct a customer panel to determine what they value in CLC's services and SIFI, and what they do not. If customers are not aware of the added value of SIFI, MLK Marketing will look at new avenues to communicate SIFI's added value. SIFI's prices will be reassessed if the market perceives that it is priced above its value.

2. If the criteria for number of customers and customer clusters are met, but the profit criterion is not met, then costs of supplies, labor, equipment, and marketing will be investigated to ensure that they are accurate, and that sufficient margin is being added to these costs to achieve the targeted profit.

3. If only 25% of customers are in a customer cluster and the number of additional customers exceeds 265, CLC will need to decide whether to cap additional customers at 265 or hire an additional applicator and purchase equipment for this applicator so these additional customers can be serviced.

Year	Success Evaluation Criteria		
	Profit	% Customers in Clusters	New Customers
1	≥\$ 22,560	≥29	≥44
2	≥\$ 78,160	>32	≥88
3	≥\$123,680	≥36	≥132