

Marketing Proposal for



Gold Emblem Marketing Firm Oklahoma FFA Association Fairview FFA

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Freed descendants have been farming in Fairview, OK since the Cherokee Strip Land Run in Northwest Oklahoma in 1893. Freed Family Farm is proud to be the seventh generation to preserve and produce food for the Fairview community and beyond. In the nineteenth and twentieth centuries, Freed Family Farm primarily produced wheat and cattle. However, in 2012, Bob Freed decided to diversify the operation. After building several hoop houses, a shade house, and a packaging shed, Freed Family Farm began to produce a wide variety of vegetables using as few chemicals as possible.

Freed Family Farm started to expand and capitalize on a new trend of prepared meals. They developed recipes for freezer meals and started offering one night per month that people could come to their farm and package 15 freezer meals for their family. It was after this endeavor that Freed Family Farm decided to expand their meal packaging program and offer a meal service delivered directly to homes. Freed Family Farm contacted the Gold Emblem Marketing Firm to develop a marketing plan for a meal-kit subscription service that will add value to their existing businesses. Gold Emblem Marketing Firm recommends the new business be called *Farm to Fork*.

I. MARKET ANALYSIS

A. Client's Status in Current Market

Freed Family Farm's meal subscription plan, Farm to Fork, aims to provide households with the opportunity to enjoy wholesome, home-cooked meals with no planning, no shopping, and no hassle required. Currently, Farm to Fork has no marketing strategy besides utilizing the current strengths of their other established businesses including a great connection with local customers, brand loyalty, and connected stakeholders. Farm to Fork is knowledgeable about their customer base and has taken suggestions from customers to embark on this new journey of meal-kit subscription plans. In the current market, there are several established companies that offer a similar meal-kit subscription service; however, Farm to Fork believes that their combined attributes will lead to a successful business venture.

Farm to Fork is a family owned business that is knowledgeable about growing healthy food that is nutritious. The owners of Farm to Fork, Bob and Barbara Freed, have developed more than 30 recipes throughout the past two years for their frozen meals. They will use these recipes as the foundation for this business expansion of meal-kit subscription plans. This will allow them to quickly compete in the rapidly growing market of meal-kit subscription plans. Farm to Fork can become the solution to the perennial problem of "What's for dinner?"

B. Industry Trends

In a highly-urbanized society, direct farm marketing provides a link between urban consumers and rural food producers that can be valuable in developing sustainable communities (Gale, 2014). Farmers selling food commodities through farmer's markets, roadside stands, and other local food sales outlets may account for a small segment of U.S. agriculture, but this segment has experienced recent growth and increased popularity (Thomas, Gillespie, & Hilchey, 2012). One way that farmers can expand the direct-to-consumer market is through meal-kit subscription delivery plans.

The meal-kit delivery industry is growing rapidly and shows an upward trend. The fast-growing niche market of online meal kit delivery services has continued to expand since its introduction in 2012. Revenue is expected to grow to more than 10 billion dollars in 2020, from one billion in 2015 (Consumer Reports, 2017). Since the U.S. market for meal-kit delivery is expected to grow fast, this industry could transform into a trillion-dollar industry (Dunn, 2015).



Culinary convenience is a quality coveted by many Americans who struggle to fit meal preparation into their busy schedules. It's no surprise, then, that meal delivery service is the latest and most successful attempt to provide people who are on the go with simple solutions to their mealtime problem. Consumers enjoy being part of the cooking process but mostly do not have enough time or skills to prepare a good meal (Dunn, 2015). In addition, they value the perfectly 15 portioned kit because they are concerned about food waste (Crawford, 2016).

Appealing to consumer demand for convenient, restaurant-quality meals, such services deliver pre-measured, fresh ingredients, along with recipes and instructions directly to subscribers. Convenience and quality aside, consumers consider meal-kits to be a healthier alternative to dining out (Packaged Facts, 2016).

Online meal kit delivery services comprise of new innovative means of delivering food while, at the same time, affording the customer more convenient ways to preparing meals at home. With 27 percent of internet users purchasing restaurant and meal kits through the internet in 2016, online meal delivery services are designed to eliminate the hassles of meal planning and grocery shopping.

C. Buyer Profile and Behavior

Meal-kit delivery services appeal to a wide variety of people. The profile of the current buyer seems to cover a wide variety of consumers ranging from 25 to 75 years old. However, the most prevalent consumers of meal-kit delivery services are millennials which account for 45% of all meal-kit subscriptions. A millennial is the name given to the generation born between 1982 and 2004. This generation is highly educated, growing up in a technology advanced world and communicating through social media (Smith, 2016). They are less brand loyal and due to the speed of the internet, millennials are flexible when it comes to changes. These millennials lead busier lives and have less knowledge about preparing and cooking meals (Crawford, 2016). Current meal-kit subscribers are mostly older millennials equally split between men and women. Forty-seven percent are more likely to have a higher income around \$125,000 annually and 40% are more likely to be parents (Crawford, 2016). According to a recent study by consumerreports.org, millennials spend more on food outside the home than any other generation, averaging \$50.75 a week. As many of these millennials start families, they worry about how their culinary ineptitude will impact their future children (Dunn, 2015). This is why the meal-kit delivery industry has grown exponentially over the past two years.

D. Competition's SWOT Analysis

Competitor	Strengths	Weaknesses	Opportunities	Threats
Blue Apron	- Established name - Provides vegetarian meals - Diversity of other products - cook wear and utensils. - Professional chefs and dietitians - Financially secure - Publicly traded company	- Provide limited side options - Shipping Issues - No refrigeration in boxes - Trial period automatically enrolls you in weekly meals. - Not local - Food shipped further	- Increasing online sales - Provide products other than meals - Competitive pricing - Can make changes quickly	- Consumers prefer more options - Consumers want simple and easy meals.



Competitor	Strengths	Weaknesses	Opportunities	Threats
Hello Fresh	• Vegetarian meals • Can pause or cancel delivery at anytime • More variety - Updated menu with 10 new recipes a week • Proper packing material • Established name	• Shipping issues • Small amounts of ingredients • Trial period automatically enrolls you in weekly meals. • Not local • Food shipped further	• Increasing number of online sales • Provides easy tracking and canceling options • Competitive pricing	• Trial commitments could prevent membership • Small amounts of ingredients could affect flavor
Green Chef	• Provide vegan, paleo, and gluten-free meals. • USDA certified organic • Eco-friendly packaging • Insulated & refrigerated boxes • Has diet specific meals	• Most expensive of the three listed • Limited to two person or family meal • Shipping issues • Limited selection of meals • Trial period automatically enrolls you in weekly meals.	• Increasing number of online sales • Certified USDA organic	• Limited meal choices • More expensive than competitors

E. Product's/Client's SWOT Analysis

	Strengths	Weaknesses	Opportunities	Threats
Farm to Fork	• Affordable pricing • Higher quality, fresh vegetables • Focus on customer service • Success with value added products • Small company focusing on quality	• Limited brand recognition • Do not have professional chefs • No start-up equity from investors • Limited skilled workforce • Limited shipping experience of fresh food.	• Lower production costs • Provide products other than meal kits • Plenty of production and acreage space for expansion	• Consumers prefer more options • Limited advertising • Strong competitors • Raw commodity price changes

F. Primary Research Results

Through 900 written surveys collected at Affair of the Heart, an arts, crafts, and collectibles show in Oklahoma City and Tulsa, the Gold Emblem Marketing Firm was able to identify the target market, product preferences, and customer demographics.

Based on the primary research results:

- 92% of all respondents who said they would purchase Farm to Fork were from the ages 25-75.
- 79% of all respondents who said they would purchase Farm to Fork were female.
- 55% of all respondents indicated that they would be willing to pay \$8-\$10 per serving (see Table 1).
- 32% of respondents whose annual income was \$75,000 to \$100,000 denoted that they would purchase Farm to Fork (see Table 2).
- 46% of respondents whose annual income was more than \$100,000 stated that they would purchase Farm to Fork (see Table 2).



Table 1

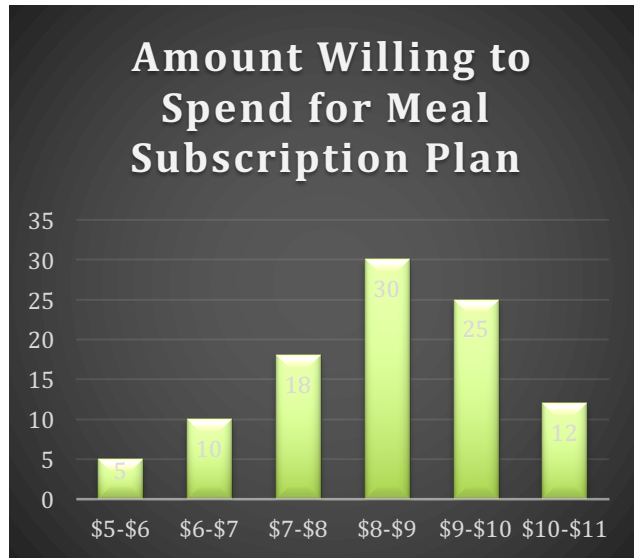
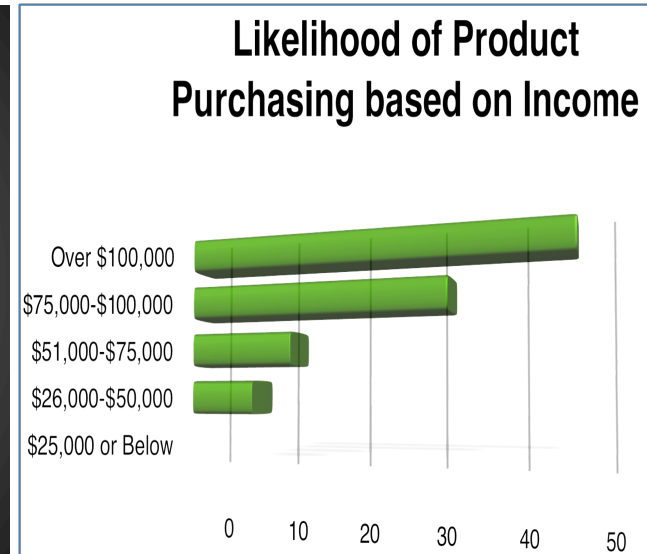


Table 2



II. BUSINESS PROPOSAL

A. Mission Statement

At Farm to Fork, we believe that our primary responsibility is to produce nutritious, wholesome, and life-giving food while improving our environment and community.

B. Key Planning Assumptions

According to the Food Marketing Institute (2015), more people are eating at home. In 2015, on average, 5.1 dinners per week were cooked at home and 3.1 dinners were prepared by using fresh or raw ingredients compared to 1.4 evening meals that included prepackaged ingredients. Only 0.9 dinners contained prepackaged heating food, 0.6 dinners were takeout dinners and 0.9 were eaten in a restaurant. Foods that can be easily portioned or packaged for adults and families are gaining popularity (Sloan, 2015). Results from the Farm to Fork survey also reveal that customers strongly emphasize quality, freshness, and expert advice when deciding on their meal preparation needs (Gold Emblem Marketing Firm Survey, 2016).

C. Short and Long-Term Goals

1. Deliver to 50 households per week in year one.
2. Increase sales by 400% by year three.
3. Earn 15%+ ROI in year one, 20%+ ROI in year two, and 25%+ ROI in year three.

D. Target Market

Primary Target Market

1. Millennials between the ages of 18-34
2. All Men and women between the ages 25-75
3. Households with upwards of \$75,000 annual income
4. Northwest Oklahoma residents with expansion into Oklahoma City and Tulsa

Secondary Target Market

1. Residents of Oklahoma and surrounding states



III. STRATEGIES AND ACTION PLAN

A. Product

Research indicates that the Farm to Fork meal subscription plan should be offered in large, recyclable boxes layered with isolating wool and ice packs to keep ingredients farm fresh and cool. The box should contain individual meal kits with the ingredients pre-portioned for each meal. Gold Emblem Marketing Firm suggests offering 12 unique meals with the option to select up to three meals per week. The ingredients in each box will vary based on the meal selected. All the meat and dairy should be wrapped in cooling material to keep them fresh until delivery. Research indicates the product should be made available in a classic plan including meat and vegetables as well as a vegetarian plan containing only vegetables and pasta. Each meal will be accompanied by a recipe card featuring step-by-step instructions, an ingredient list, and nutritional information. Since Farm to Fork currently has several hoop houses and years of experience growing vegetables, all of the vegetables and herbs for these meal-kits will be grown at this facility. All meat for the meals should be contracted through Advance-Pierre Foods in Enid, OK. Advance-Pierre Foods has guaranteed the volume buyer pricing for Farm to Fork for all meat.

B. Price

The primary research results specify that a majority of customers (55%) would be willing to pay \$8-\$10 per serving for Farm to Fork. Gold Emblem Marketing Firm suggests that Farm to Fork sell their product at the cost of \$9 per serving. This price point is lower than most national competitors and will still allow Farm to Fork to be a profitable business venture.

C. Place

Farm to Fork will be available as an online retailer. Customers can also download the free mobile app on all Apple and Android phones. Since all of the target market has access to the internet, most through their mobile devices, this product is very convenient and allows instant access at any time.

D. Promotion

Using progressive technology as well as traditional marketing methods, Farm to Fork should capitalize on both advertisement as well as publicity. Farm to Fork's annual promotion should include:

We recommend that Farm to Fork create a brand that will be attractive to all audiences through print and digital media.

Electronic and Digital Media

- Internet Use: webpage, app, YouTube – include monthly recipe suggestions
~Google Analytics – create a conversation funnel that includes several steps to lead the customer to the website and get the customer to provide information such as name, e-mail, etc. by either making a purchase or filling out an online form for a newsletter.
- Social Media – Facebook, Twitter, Instagram, Pinterest
~ Advertise using Facebook Exchange which allows advertisers to target users with highly relevant ads based on their browsing history.
- Online promotional discounts – Free trials should be given to encourage initial usage

Print Media

- Farmer's Market Display and branding – banner, recipes, employee shirts and hats
- Publications – Regional newspapers, Oklahoma Living Magazine, and other home and garden magazines



Trade Shows

- Attend Oklahoma's Home and Garden Expo and other regional gourmet food exhibitions of Oklahoma

E. Position

Since the target market for meal-kit subscriptions includes customers seeking high quality, fresh, minimally processed foods with easy to follow recipes at a low price; Farm to Fork will be perfectly positioned to provide that service. Farm to Fork already has more than 30 recipes that have been tested by hundreds of individuals. The step-by-step recipes make meal preparation easy and affordable. Most important of all, Farm to Fork offers the lowest price per serving of all national competitors. This unique selling position should provide Farm to Fork the advantage it needs to be competitive in the meal-kit market.

IV. BUDGET

<i>Income</i>	Year 1	Year 2	Year 3
1. Sales	50 households 26,000 servings \$9/ per serving	100 households 52,000 servings \$9/ per serving	200 households 104,000 servings \$9/ per serving
Gross Income	\$234,000	\$468,000	\$936,000
<i>General Expenses</i>			
1. Fresh Produce	\$34,000	\$68,000	\$126,000
2. Purchased Meat	\$14,000	\$26,000	\$49,000
3. Other ingredients	\$6,000	\$11,000	\$20,000
4. Packaging	\$16,000	\$30,000	\$58,000
5. Office Supplies	\$5,000	\$8,000	\$13,000
6. Paid Labor	\$54,000	\$102,000	\$200,000
7. Shipping Cost	\$39,000	\$76,000	\$140,000
8. Utilities	\$7,000	\$12,000	\$20,000
9. Research & Development	\$2,000	\$4,000	\$6,000
10. Marketing Consultant Fee	\$2,000	\$4,000	\$6,000
Total General Expenses	\$179,000	\$341,000	\$638,000
<i>Advertising</i>			
1. Trade Shows	\$3,000	\$4,000	\$5,000
2. Farmers Markets	\$2,000	\$3,000	\$4,000
3. Social Media/Website	\$1,000	\$1,000	\$2,000
4. Publications	\$2,000	\$4,000	\$6,000
5. Google Analytics	\$8,000	\$15,000	\$25,000
6. Facebook Exchange	\$4,000	\$7,000	\$15,000
7. Promotional Discounts	\$2,500	\$4,000	\$7,000
Total Advertising Expenses	\$22,500	\$38,000	\$64,000
Total Expenses	\$201,500	\$379,000	\$702,000
Net Profit	\$32,500	\$89,000	\$234,000
Return on Investment (ROI)	16.1%	23.5%	33.3%



V. EVALUATION

- Goal 1: Deliver to 50 households per week in year one.** The Gold Emblem Marketing Firm will utilize data of the number of customers who order online on a weekly basis.
- Goal 2: Increase sales by 400% by year three.** With the implementation of the strategies listed in the market plan, sales should increase from 50 boxes per week in year one to 200 boxes per week in year three.
- Goal 3: Earn 15%+ ROI in year one, 20%+ ROI in year two, and 25%+ ROI in year three.** The Gold Emblem Marketing Firm will utilize data collection programs such as QuickBooks to indicate the return on investment at the end of each fiscal year.
1. If the first goal is not met by the end fiscal year one, we suggest accelerating the target market and evaluating the price structure.
 2. If sales are lower than expected after years two and three, we suggest limiting labor expenses and implementing discounted pricing.
 3. If the company fails to reach the ROI goals and income no longer covers expenses, we suggest increasing advertising in more urban areas.

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