

Marketing Proposal for



Okarche FFA Chapter OK0253 2021

LUXE Marketing Firm

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BRIEF DESCRIPTION OF PRODUCT

Ravenna Soaps is a goat milk-based natural soap and beauty company, focusing on natural scents and products based in Kingfisher County in Central Oklahoma. The idea for the company started when a mother and daughter started making goat soap with leftover goat milk and giving it away to friends. One day, a family friend offered to pay for the goat soap and the rest is history. Today, this mom and daughter duo has expanded to sell 32 different scents for their soaps, and also have 2 lotions. They primarily sell their product directly to customers around the Kingfisher area and have recently started selling their product in 3 retail stores in the area. Focusing primarily on product quality, they only use natural, wholesome and ingredients of the highest quality. **Ravenna Soaps** are vertically integrated, as they own the nannies used for milk production, use feed from their agricultural production operation, handle the milk, process the product, and market it. They are wanting to transition their business to a full-time venture, and they believe the best way to do this is by expanding their market and sell to customers outside of the Kingfisher county area, and they have asked Luxe Marketing Firm to help. They have many regional and nationwide competitors including the following: Legends Creek Farm, Bela and Goat Farmer's Wife. To keep with the changing times, they have decided to reach out to Luxe to help develop new avenues of revenue, customer interaction, points of sale, creating a new logo and marketing.

MARKETING ANALYSIS

Client's status in current market

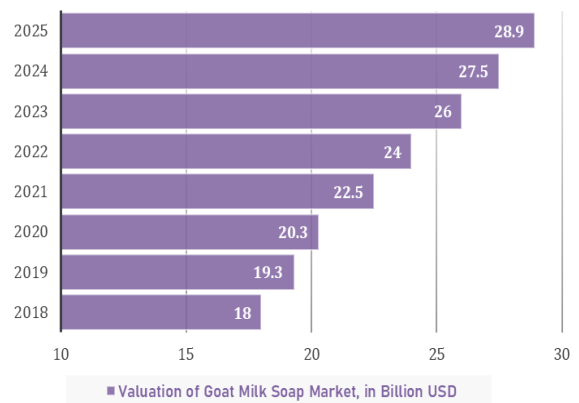
Ravenna Soaps is located in Okarche, Oklahoma, and is the only local soap company in the area. It is currently being run out of the Himes' residence and farm west of Okarche. It is operated by a mother and daughter duo, where they purchase goats' milk from their family's operation, process the milk, package, market, and sell the soap product. Although it is still a very young company, it supplies goat soap to 3 retail stores in the area and sells soap directly regularly to customers in the area. **Ravenna Soaps** sells its soap for \$6.00/bar. To date, their primary marketing methods include making weekly posts on Facebook and by word of mouth. They have yet to turn this business into a full-time venture, netting around \$10,000.00 in profits this last year, but are hoping to expand into one this year. As a means to continue growing their business during the COVID-19 pandemic, they started delivering products directly to customers in the area. This has increased customer loyalty to their company, and they are wanting to leverage that loyalty in the future. Although **Ravenna Soaps** has seen a lot of growth from social media and word of mouth, they are still being outperformed by their main competitors, who are in larger retail stores, offer more products, and have higher social media engagement than them.

Trends

The following evidence speaks to the promising future of the goat milk soap industry in Oklahoma and across the U.S.:

- The projected valuation of the goat milk soap industry is climbing steadily (Gaille, 2019).
- Consumers are demanding wholesome, natural ingredients and transparency in the soap industry (Intrado, 2019).
- There is a nationwide movement to support local and small businesses (Furgison, 2017).
- Goat milk products are increasing in popularity (Gaille, 2019).
- Currently, 80% of soap sales were done in person, but online distribution is increasing in popularity (Gerstell Et Al, 2021)
- Subscription services in the beauty industry are increasing in popularity (Hello Subscription, 2021).
- The pandemic helped open new opportunities for points of sale, and customers are more trusting of online purchasing than ever before (Gerstell, Et Al, 2021).

Projection Values of Goat Milk Soap



Buyer Profile and Behavior

We project that the majority of customers interested in this product are women ages 18-35 and health-conscious men and women between ages of 18-50 who make over \$50,000 a year. Middle-aged women mostly use these products as gifts and love the easily viewable shop on Facebook. A main attraction of **Ravenna Soaps** to the health and skin benefits as well as the eco-friendly packaging. Many of **Ravenna Soaps**' customers have had issues with a variety of skin conditions and have had trouble finding products that work, until they have tried **Ravenna Soaps**, meaning customers become loyal to the product. Many potential customers are looking to "simplify their life" and are looking to purchase products online to help make their time spent inside of a brick and mortar store less.



Competition's SWOT Analysis

Companies	Strengths	Weaknesses	Opportunities	Threats
	- Sold in America's largest retailers - High brand recognition 30 years of business - Lower price points because of high manufacturing capacity	- Website is outdated - Only sold at certain retailers - Logo doesn't fit with the current market standards - No hypoallergenic products - Low engagement	- Restructuring retail contracts to allow more online sales - Revamping brand and logo to match with current standards - Social media engagement would attract new customers	- National competition is increasing - The current economic state doesn't allow for brand loyalty - Competitors have lower price points
	- Local company - Certified Made in Oklahoma Brand - Larger facilities for processing for company of its size - Loyal customer base - Has large capital infusion from other family ventures	- No online presence outside of Facebook - No retail presence outside of boutiques in the region - Low manufacturing capacity - Current target market is regionally specific - Low brand recognition	- Defining a target market would allow for specialized engagement - Increasing social media and search engine engagement would open more opportunities for customer engagement	- Regional competition is increasing - COVID-19 decreased total number of trade shows and retail sales - If goats die, her business does too
	- International seller - Large variety of products - Large online presence - High brand recognition 30 years of business - Lower price points because of high manufacturing capacity	- Lack transparency - Quality control of milk is low - Highly manufactured - Largely dependent on retail sales - Misunderstood target market - Only available in specialty stores like WholeFoods and Atwoods	- Develop online points of sale - Increased recognition internationally of health benefits of goat soap - Increase retail presence by being sold in larger retail stores like Walmart and Target	- Smaller businesses are taking a larger market share - The current economic state doesn't allow for brand loyalty - Other natural soaps have lower price points

Client's SWOT Analysis

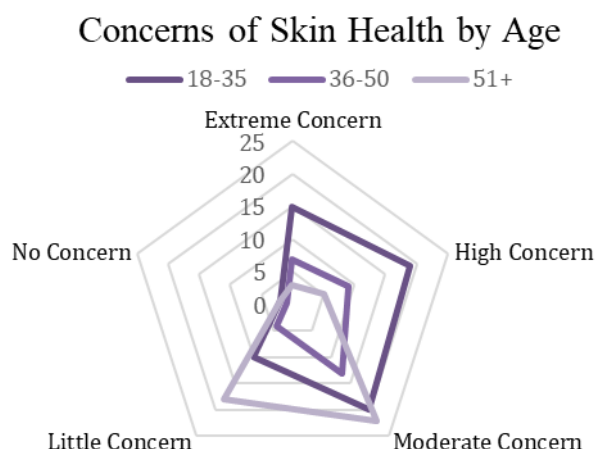
Client	Strengths	Weaknesses	Opportunities	Threats
	- Personal and local - Diversified product options for size of company - High transparency - Regional loyalty - High quality product with wholesome and natural ingredients	- Low manufacturing capacity - Currently, no online points of sale - Young business- only 3 years old - Currently, only sold regionally - Only 2 staff members - Weaker social media presence	- Increasing online presence will allow for more points of sale - Capital gained from regional sales can be put towards new marketing efforts - Subscription services are increasing in popularity	- Competition has better access to higher production capacity - Luxury goat soap market is largely contingent on the state of the economy - Limited advertising - Ingredient prices



Primary Research Results

Surveys: The Luxe Marketing Firm has distributed 150 surveys to people around Kingfisher and Canadian Counties, including many loyal customers of **Ravenna Soaps**. These were collected from social media outlets, hand distribution, and mailers sent out. These surveys helped identify a target market, product preferences and customer preferences. Through these surveys, the following results were obtained:

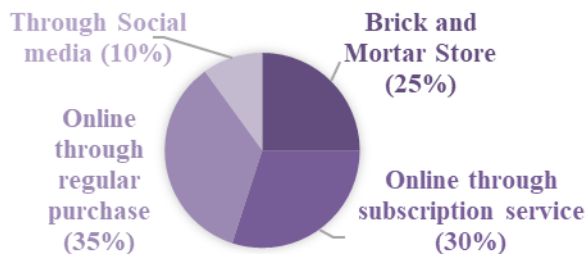
- People between the ages of 18-50 are more concerned with the health of their skin (83% in this demographic responded they are moderately or extremely concerned with their skin health). Females between ages of 18-35 are 50% more likely than all other groups to care about their skin health. The household income for this group was between \$60,000.00 and \$100,000.00 a year.
- 55% of those surveyed do not trust a majority of brands sold in big box stores, and would rather purchase hygiene products online or from someone they know.
- The mean for recommended price points of an online service is \$6.00 per bar of soap, not including shipping/handling.
- The mean for a recommended monthly price point for an online subscription service is \$15.00/month, which would include: 2 bars of soap and 1-2 sample products per month.



Focus Groups: After the survey was synthesized, Luxe created a focus group with 20 people. Their demographics included: 12 females and 8 males, 15 were between 18-35 and 5 were over 40, all of their household incomes were over \$45,000.00/year. 7 were regular customers of **Ravenna Soaps**, 3 have used the product before and 10 have no ties to the **Ravenna Soaps**.

- Everyone in the focus group was interested in making their lives easier through subscription services.
- 65% prefer to make purchases online.
- 75% are willing to pay more for soap products, as long as the product improved their skin health.
- Recommended marketing plans included: creating a website, offering a subscription service, attending more trade shows, and utilizing all social media platforms more regularly, including purchasing advertisement space to the target market.

PREFERRED METHOD OF BUYING HYGEINE PRODUCTS



Survey/Focus Group Methodology: To better serve **Ravenna Soaps**, Luxe implemented a surveys utilizing the Likert Rating Scale and direct questioning. Questions followed a “least like me” to “most like me” or “no concern/opinion to extreme concern.” After that, direct questioning was utilized to maximize the time spend with the survey taker. The focus group process was more of a forum with open ended questioning and allowing each person involved to share their own opinion.



BUSINESS PROPOSAL

Mission Statement

At **Ravenna Soaps**, we are dedicated to our tag line: “Healthier skin, happier life.” **Ravenna Soaps** is dedicated to helping people who struggle with skin conditions and skin imperfections by providing a wholesome, healthy and sustainable product, one bar of soap at a time.

Key Planning Assumptions

According to research and survey results, younger consumers are more interested in skin health, natural wholesome ingredients, and transparency of the hygiene products they use. Furthermore, this age group is interested in simplifying the purchasing process by purchasing products online or utilizing a subscription service so they don't have to think about purchasing hygiene products. Altogether, growth is contingent on effective and wholesome products and delivering it in an easy way.

Short Term and Long Term Goals

Short Term Goals:

- Create a company website with a point of sale for customers by August 2021.
- Implement an advertisement program on social media websites and search engines after the website launch and before October 2021, which is the start of the holiday season.
- Have 1000 unique visitors to the company website by Christmas Day 2021.
- Develop a subscription service program through the website by June 2022.
- Have net profits clear \$22,500.00 in one year by end of year 2023.

Long Term Goals:

- Have the subscription service account for 50% of net profits by end of year 2026.
- Have net profits clear over \$50,000.00 in one year by end of year 2026.

Target Market

Primary Target Market:

- People between 18-35, primarily women, households with an income of greater than \$50,000.00 annually.
- People of all ages and genders with mild to moderate skin conditions including dry skin and eczema.

Secondary Target Market:

- People over 35 who regularly use social media platforms.

STRATEGIES AND ACTION PLAN

Product

Ravenna Soaps currently offers more than 30 different soap and lotion products that utilize wholesome and natural ingredients like essential oils and phylate-free fragrance soaps. Their product is known to cure skin conditions and be of the highest quality. They currently release and rerelease new scents every quarter. The bars of soap are 4.5 ounces, and the lotions are sold in a small size, which is 4 ounces and a large size, which is 8 ounces. They also sell bath bombs. Luxe Marketing suggests offering products online through a website and through a subscription service. Furthermore, because of the increase of shipping, Luxe suggests using a small sized shipping box and including a thank you note in every purchase. Currently, **Ravenna Soaps** is sold in 3 retail stores in Kingfisher County, but most of their sales come from their Facebook page. Luxe Marketing recommends developing a website to increase a capture of the target market, paying for advertisement space on popular social media websites, and creating a subscription model that promotes an increase of regular and timely purchasing of soaps. This website would outline all the products **Ravenna Soaps** is selling, have a point of purchase through PayPal, and give an option to join the subscription service. The subscription service would send an email every month to the customer outlining the scents they would receive, and the sample product as well. These scents given out would depend on seasonal fragrances, and personal preferences of each customer outlined prior to starting the subscription service through the survey they would fill out.



Price

Primary research results suggest that a majority of customers in the target market are willing to pay between \$5.50-\$7.00 per bar of soap, so Luxe Marketing recommends selling the bars of soap for \$6.00 per bar. They also sell lotion. After visiting with the target market and comparing prices with competitors, Luxe Marketing suggests selling large bottles at \$10.00, and a smaller bottle at \$6.00. This price point is in line with most national competitors that have product of similar quality and ingredients. Luxe Marketing also recommends starting a subscription service. We recommend offering customers 2 bars of soap and 1 sample product every month for the low price of \$15.00/month plus shipping and handling. This price point is higher than other hygiene and soap subscription services, but **Ravenna Soaps** would be the first goat soap product to be sold in a subscription format, so we believe this price point is fair for customers, and still allows the company to make a necessary profit.

Place

Although **Ravenna Soaps** is currently sold in 3 retail stores in the Kingfisher county area, Luxe Marketing recommends focusing on creating an online presence through social media platforms and advertisement campaigns that will lead potential customers to their website.

Promotion

Social Media Promotion:

- Utilize Facebook, Twitter, Instagram, Pinterest and TikTok
 - Using their advertisement options, create a focused campaign that maximizes the impressions made on potential customers in the target market
 - Focus on previous search history, gender, age and other factors that contribute to our target market.
 - Continue to utilize the Facebook page to continue interaction with customers through regular posts and contests, making weekly posts.
 - Create a Twitter and Instagram to continue interaction with customers through regular posts and contests, making weekly posts
 - Create a TikTok account to reach younger audiences in the target market through creating 1st person videos showing how goat milk soap is created and creating ASMR videos



Search Engine Promotion:

- Utilize Google and Bing
 - Use Google Analytics to advertise and create recommendations for **Ravenna Soaps**' website and products.
 - Focus on previous search history, gender, age and other factors that contribute to our target market.

Print Promotion:

- To increase regional awareness of **Ravenna Soaps**, Luxe Marketing should advertise in popular written media outlets including: *Okarche Warrior Newspaper*, *Kingfisher Times* and *Free Press Newspaper*, *Oklahoma Magazine*.

Other Promotions:

- **Ravenna Soaps** should make a conscious effort to attend trade shows, fairs and Made in Oklahoma events to continue to promote the website and subscription service, as well as offer free giveaways at these events to promote the product and have customer feedback.
- Luxe Marketing recommends applying to be a Certified Made in Oklahoma brand to have access to more opportunities to sell the product around the state of Oklahoma.
- Luxe Marketing created a new logo for **Ravenna Soaps** because of customer need and desire to have a uniform logo across all social media accounts and promotional materials.

Position

Ravenna Soaps currently has an established and very loyal customer base, even though a high percentage of this group is actually outside of their new target market. Their loyal customer base will help fund initial efforts to market their product through social media, search engines and their website. Today, **Ravenna Soaps** is uniquely positioned to provide a high quality product to people ages 18-35 and those who have skin conditions because of their soaps high quality. **Ravenna Soaps** will be the first goat soap company to provide their product online through a subscription service, making it an enticing purchase for customers in their target market.



BUDGET

	2021	2022	2023	2026
<i>Income</i>				
Sales	>2000 bars of soap	>2800 bars of soap	>3750 bars of soap	>7000 bars of soap
	~100 lotions	>150 lotions	>200 lotions	>350 lotions
	~100 all other items	>175 all other items	>350 all other items	>550 all other items
Gross Income	15000	21000	31000	67500
<i>General Expenses</i>				
Supplies for product processing	1450	1900	2500	4000
Packaging expenses	300	400	550	850
Investment in noncurrent items	500	500	500	1000
Shipping expenses	250	325	450	700
Part Time Employment	0	0	2000	3000
Other expenses/incidentals	250	350	450	700
Marketing Fees	500	750	1000	2000
Goat Milk(80 bars/gallon, \$4/gallon)	350	475	600	1200
Total General Expenses	3600	4700	8050	13450
<i>New Marketing Efforts</i>				
Website (wix.com, 20/month)	240	240	240	300
Google/Bing	300	300	300	300
Social Media	300	400	500	900
Total Expenses to New Efforts	840	940	1040	1500
Total Expenses	4440	5640	9090	14950
Net Profit	10560	15360	21910	52550
Return on Investment	250%	287%	250%	360%
All other items include perfumes, bath bombs, other sample products				

EVALUATION

Benchmarks

Ravenna Soaps' Goals Directly Related to Marketing

- Create a company website with a point of sale for customers by August 2021.
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Ravenna Soaps' Goals with Financial Benchmarks

- Have net profits clear \$22,500.00 in one year by end of year 2023.
- Have net profits clear over \$50,000.00 in one year by end of year 2026.



Tools Used to Measure Benchmarks

Tools to Measure Financial Benchmarks

- **Ravenna Soaps** will utilize Quickbooks to track financial records. These financial records will be reviewed weekly, monthly, and quarterly to ensure financial goals are being met and are accurately recorded.
- They will utilize PayPal for the online point of purchase.

Tools to Measure Marketing Benchmarks

- We will utilize social media analytics and meet with **Ravenna Soaps** quarterly to ensure goals are being met.
- We will utilize Wix.com's and Google's ad analytics to ensure other marketing goals are being met.
- Work with Quickbooks and PayPal will be necessary to ensure goals on subscription service measures are being met.

Contingency Strategies if Benchmarks Are Not Met

- If goals on website/social media impressions are not met, we suggest reevaluating the budget recommendations for website development, social media advertising and search engine advertising and increasing the money spent on this advertising, making sure to adjust key words and key characteristics of the target market to improve impressions and unique visitors to the website.
- If the subscription service goals are not being met, Luxe Marketing suggests revamping the program by evaluating price points, adjusting the timely shipping of the soap, and starting a rewards program for loyal customers and new customers alike.
- If financial goals are not met, we suggest not employing part time help in the future, increasing marketing efforts to the target market, and evaluating the vertical integration of the business. We suggest utilizing capital in reinvestment directly into marketing and advertisement efforts to ensure **Ravenna Soaps** reaches the most amount of people.

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