

**Glondo's Sausage Co.
Marketing Plan**



**Washington
Ellensburg FFA
WA0036
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Introduction:

From humble basement beginnings, the Glondo's family started crafting sausages in their home using family recipes passed down from Italy and Croatia. The Glondo family put their passion in motion and opened Glondo's Sausage Co. on July 4th, 1986. Born out of quality and tradition, what started as a local family business has since turned into a nationally known specialized Italian meat retailer. Located in the heart of Cle Elum, WA the Glondo's Sausage Co. storefront has now been open for more than 30 years. Through three generations, their business is still founded on honesty, integrity and hard work. For the past six years, Glondo's Sausage Co. has been USDA inspected which has allowed them to expand their reach in the wholesale market. In addition to their retail storefront and wholesale efforts, they collaborate with White Heron Winery at Northwest Tastings overlooking Puget Sound in Pike Place Market. Although Glondo's prides themselves on their hand crafted, signature Italian meats, they are knowledgeable about Italian culture and stock their shelves with an extensive line of imported Italian goods such as cheese, fine wines, olive oils, specialty sales, pasta, sweets and more. Glondo's founding traditions still exist today as they expand and adapt to current market trends.

Since opening their storefront in Cle Elum and their tasting room in downtown Seattle, Glondo's has attained a broad customer base that reaches across the United States. However, to provide customers with increased access to their unique line of products and capitalize on the trend of subscription services, K2B Marketing Firm has developed the following marketing plan to launch the **Bite Box**. These monthly subscription charcuterie style boxes would include a perfectly paired selection of Glondo's products, providing customers a taste of their authentic Italian goods, handcrafted meats, and imported cheeses. These trusted products in the form of the Bite Box will continue to expand and strengthen the existing customer base. There are numerous online companies that specialize in food subscription services, along with local retailers that have similar cured meat products, who compete with Glondo's Sausage Co. K2B Marketing Firm believes that Glondo's Sausage Co. can be a competitor in this market, by providing a subscription service of their authentic Italian products in the form of a Bite Box.

MARKET ANALYSIS

Current Market Status:

Glondo's Sausage Co. has been located in Washington for thirty five years, and is second and third-generation owned and operated. The local storefront is stocked with a selection of more than twenty handcrafted fresh and cured signature Italian meats. In addition to handcrafted meat products, Glondo's also produces pasta, sauces and take-and-bake pizzas that are crafted in-house with family recipes. They carry a gourmet selection of imported Italian groceries that include wines and other beverages, pastas, sauces, seasonings, cheeses, olive oils, garnishes, sweets and much more. Glondo's Sausage Co. currently has a variety of avenues through which they market their products. This includes their local storefront, curbside meat vending machine, Northwest Tastings, and wholesale distribution to restaurants and businesses in the Kittitas Valley. Glondo's Sausage Co. utilizes their website, social media platforms of Instagram, Facebook and Twitter, and word of mouth from customers to promote their products. Glondo's location is convenient for local customers as well as those traveling Snoqualmie and Blewett passes, and attracts customers who appreciate the authenticity and quality of their products. There are several meat retailers in the surrounding area, as well as online meal shipment companies that currently compete with Glondo's Sausage Co. However, their long-standing reputation of high quality authentic products and customer relations has provided them a unique opportunity to be highly competitive in the distribution of the Bite Box.

Industry Trends:

Subscription services are a rapidly growing, young sector of e-commerce, for both American and global consumers. According to an analysis by Fuel, a McKinsey Company, the subscription e-commerce market is worth approximately \$10 billion (Woo, 2019). In addition, this analysis also found that the average active subscriber has two subscriptions, and over a third have three or more subscriptions (Woo, 2019). In an earlier study conducted by McKinsey and Company, they found that there is a psychological component to consumer's hook of subscription based services and products based on the convenience of a monthly subscription, access to products, and curation of anticipation and excitement (Woo, 2019). In today's society, Americans rely on convenience and efficiency. Home delivery services of meals and food products provide culinary convenience to customers. Being locally owned and operated for generations, Glondo's Sausage Company provides a welcoming atmosphere to regular customers as well as those just passing by. Providing a monthly subscription option for their

products would not only appeal to the demand of customers that are looking for a convenient option of high quality, signature items, but also extend their welcoming atmosphere to customers near and far. This growing sector of e-commerce provides a unique opportunity for Glondo's Sausage Company to capitalize on subscription services to increase customer convenience, access and retention.

Buyer Profile and Behavior:

Extensive studies have been conducted by McKinsey and Company, regarding subscription services and the behaviors of the active subscriber. After studying more than 5,000 US consumers, these studies have concluded that the average active subscriber has more than two subscriptions and nearly 35% have three or more (Chen, et. al, 2018). These subscriptions include both streaming media and box services. A survey completed by West Monroe regarding America's relationship with subscription showed that on average Americans spend \$237.77 a month on services (Moogimane, 2019). The research K2B conducted compliments these findings, as the results of our study found that 89.6% of respondents had one or more subscription services. The McKinsey and Company also found that men are more likely than women to have three or more active subscriptions; 42% men compared to 28% women (Chen, et. al., 2018). This data suggests that men value the automated purchasing options for convenience and reducing store trips (Chen, et. al, 2018). The survey results found by K2B closely matches this national profile. According to a survey conducted by McKinsey and Co, those with more disposable income, earning between \$50,000 to \$100,000 were more apt to purchase multiple e-commerce subscriptions, and 15% of online customers have subscribed to an e-commerce service in the last year. (Chen, et al. 2019). This data also corresponds with the results of our survey, which showed that a majority of our survey respondents earned greater than \$80,000 (64.9%) and were willing to spend \$60 or more dollars on a subscription service (67.2%). In a study on factors influencing users' decisions to pay for subscription services, it was determined that a main factor was convenience (Horng, 2012). Convenience in this national study related to the availability of the product or service being subscribed to, waiting time, and efficiency of the ordering process (Horng, 2012). A more recent survey conducted in 2019 showed similar results regarding the psychological influences and motives of purchasing subscription services (DeKohrs, 2019).

Behavior and decisions made by potential buyers of the Bite Boxes consist of convenience, cost effectiveness, household income and knowledge of Glondo's Sausage Co. products. Glondo's Sausage Co. Bite Boxes will deliver both convenience and cost effectiveness to customers, providing them a unique experience of authentic, high quality products that are expertly paired with other specialty goods. Shipping options for the Bite Box subscription appeal to a wide range of customers that include Millennials ages 24-40, Gen Xers ages 41-56 (Beresford, 2020), and family demographics. Glondo's Sausage Co. Bite Boxes provide high quality products with ease to customers of all ages and appetites. Based on geographical location determined by our survey results, 70.6% of potential customers live 25 or more miles from the Glondo's Sausage Co. storefront or Northwest Tastings. This makes automated purchasing and shipment a convenient option for Bite Boxes, which will be available 2-day shipping via USPS. This will ensure freshness and quality of products and meet the expectations of buyers in today's "2-day" shipping mentality. This is appealing to the majority of Glondo's Sausage Co. potential customers who make buying decisions based on what products they can have in their possession the fastest and easiest.

COMPETITOR SWOT ANALYSIS

Company	Strengths	Weaknesses	Opportunities	Threats
	-Wholesale market through Sausage Garten -Main street location -Large variety of meat products -Online ordering	-Limited parking -Small storefront -Weak social media presence	-Highly frequented location -Yearly clientele	-Single storefront location - Price structure -Decline in younger Facebook users (ages 12-34)

	-Ensured Prime and Choice USDA Quality Grades -Wide selection and availability of meats -Product pairing -Successful branding -Productive cash flow	-Conventionally raised products -One storefront location -Limited shipping experience	-Vending machine locations -Established customers	-No online ordering
	-Delivered nationwide and in Canada -Multiple subscription frequency options -Large variety of products -Shipping insurance	-Multiple suppliers -Expensive for quality of products -Limited subscription box options	-Offers rare and unique products -Growth in online sales	-Online ordering only -No quality guarantee -Lack of storefront -Customer reviews

CLIENT SWOT ANALYSIS

Company	Strength	Weaknesses	Opportunities	Threats
	-Selection of smoked and cured meats -Specialty Italian products -Established for more than 30 years - Easily navigated website	-Single storefront -Restricted case size -Not all products displayed on website	-Storefront location -Online ordering -Northwest Tastings -USDA inspected -Wholesale market	-Location -Narrowed market -Weather dependent shipping

Primary Research Results:

K2B Marketing Firm conducted a survey of Washington State residents in March and June of 2021 to better analyze the impact of the Bite Box on Glondo's Sausage Company's current business operations. Surveys were distributed to residents between the ages of 15-80. We received 796 responses from these contributors. The survey results showed that:

- 44.8% of respondents were between the ages of 41-56.
- 67.8% of the respondents were female.
- 46.9% of the respondents had a household size of 3-4 people.
- 64.9% of the respondents had an annual household income of \$80,000 or more.
- 89.6% of the respondents are currently subscribed to one or more subscription service.
- 70.6% of the respondents live 25 or more miles away from Glondo's storefront location.
- 57.8% of the respondents preferred home shipments.
- 70.6% of the respondents have frequented the Glondo's Sausage Company storefront in Cle Elum and/or Northwest Tastings tasting room.
- 48.8% of the respondents were familiar with Glondo's Sausage Company products.
- 76.9% of the respondents selected Salami and Beef Jerky as their preferred Italian meat.
- 67.2% of potential customers would be willing to pay \$60-80 per month for authentic Italian products in the form of an Italian charcuterie style box.
- 71.6% of respondents would consider subscribing to an Italian charcuterie style box.

After analyzing data collected from the survey, K2B Marketing Firm believes having Bite Boxes available as a subscription service would be a sound business endeavor that would result in an increase of sales, branding, and customer base.

BUSINESS PROPOSAL

Mission Statement:

Glondo's Sausage Co. believes in providing customers with authentic, high quality Italian products while maintaining the traditions and relationships that have been passed down for generations.

Key Planning Assumptions:

Assumptions for the proposed marketing plan of the Bite Box include:

1. There is a growing demand for subscription services.
2. Consumers are attracted to the novelty of subscription boxes.
3. Consumers who already participate in other subscription services are more likely to have multiple subscriptions.
4. Consumers value convenience in purchasing decisions.
5. Consumers are willing to pay \$60-80 for a selection of authentic, high quality Italian products.

Short and Long Term Goals:

Based on a client interview with owner Dena Glondo and the results of our survey, K2B has developed the following goals:

- Sell 96 subscription boxes in the first fiscal year.
- Sell 180 subscription boxes in the second fiscal year.
- Earn 40% Return on investment by the 3rd fiscal year.

Target Market:

The target market K2B has identified for the Bite Box will ensure sales that show continual growth for years to come.

Primary:

- All men and women between the ages of 24-40 (Millennial)
- Residents of Western Washington
- People with one or more current subscription services
- People with a household income of \$80,000 or more

Secondary:

- All Washington State residents
- All men and women between the ages of 24-56 (Millennial and Generation X)

STRATEGIES AND ACTION PLAN

Product:

K2B Marketing Firm suggests offering a unique selection of Glondo's most popular cured Italian meats, seasonal items, and imported authentic Italian goods in the form of a monthly charcuterie style subscription box to expand product availability and customer reach beyond their storefront.

The subscription box will contain:

- 4oz Salami
- 4oz Copa
- 8oz Cheese Selection
- 12oz Crackers
- 8oz Spread
- 8oz Olives
- 4-8oz "Owners Choice" of rotational cured meats
- Sweet Treat (Schocolat Chocolates Selection)



The Bite Box will be packaged in attractive, durable, medium-sized recyclable boxes. All meat and cheese products will be individually vacuum sealed for freshness. Other Bite Box items will also be individually wrapped and securely packaged using strong, lightweight packing material to prevent the breaking and settling of products. All products included in the Bite Box are USDA inspected, certified and shelf stable.

Price:

From the Primary Research Results, we found that a majority (67.2%) of customers are willing to pay \$60-80 per month for authentic Italian products in the form of a charcuterie style box. K2B Marketing Firm suggests a retail price of \$70 with a 12 month subscription, and \$75 for one-time purchases. Subscribing to the Bite Box for 12 months provides an incentive price and savings of approximately 10%. USPS 2-day shipping costs of \$7.50 are included in the retail cost of the Bite Box.

Place:

The Bite Box will be available for order in store at Glondo's Sausage Co. in Cle Elum, by phone or online. Bite Boxes will ship the first Wednesday of every month to allow for adequate inventory, product preparation and freshness. By providing multiple options for ordering and consistency in product distribution, this provides our suggested target market with increased convenience and accessibility to Glondo's Sausage Co. products.

Promotion:

Glondo's Sausage Co. currently utilizes a social media coordinator and promotional methods that have yielded successful outcomes for advertising and publicity. It is our recommendation that Glondo's Sausage Co. expand their current methods to promote the Bite Box in the following ways:

Digital Media:

- **Website:** Company website should be detailed and easy to navigate for current and potential customers. We suggest that the Glondo's Sausage Co. website continue its current practices as they provide a pleasing and unique user experience. Glondo's Sausage Co. currently offers customers a visually appealing and easily navigable platform. The online ordering process is concise, simple and efficient. Professional photography of products, specific and detailed information of company history, products, shipping, services, customer testimonials, locations and business hours extend the hospitality and traditions of Glondo's Sausage Company. In addition to these practices, we suggest including additional ordering, subscription, and product content information for the Bite Box that is easily accessible, descriptive and visually appealing.
- **Social Media:** Facebook, Instagram, and Twitter - With a strong Facebook and Instagram presence and follower base, it is recommended that these social media platforms stay current with product and pricing information, promotional events and visual media of products. K2B Marketing Firm also recommends implementing social media advertisements for the Bite Box. Utilizing Facebook and Instagram social media advertisements will provide affordable and direct marketing of the Bite Box to user demographics who are most likely to become customers based on the target market K2B has identified. These social media platforms provide an analysis of advertisements, which include information on view reach and demographic breakdowns. K2B marketing additionally suggests expanding Glondo's Sausage Co. Twitter presence by tweeting more frequently during optimized times determined by Twitter analytics, engaging followers with replies, retweets and tags, and including visual content to promote products and events.

Print Media:

- **Incentive Coupons:** K2B Marketing suggests that every Bite Box includes incentive coupons for in store purchases as a way to encourage customers to visit Glondo's Sausage Co. storefront and Northwest Tastings locations.

Position:

Glondo's Sausage Co. holds a unique position in the market as a local provider of specialty Italian meats and goods in the form of a subscription service. According to the target market identified, Glondo's Sausage Co. customers are looking for convenient access to high quality, authentic products at a reasonable price. The Bite Box is positioned to provide customers with a consistent and convenient supply of high quality, authentic Italian products that are suitable for any occasion. The ease of ordering and scheduled shipment coupled with an affordable price and curation of anticipation will allow this product an edge against competing brands.

BUDGET

Glondo's Sausage Co. is a well-established business with a long-standing reputation and customer base. The budget below is reflective of the specific goals Glondo's Sausage Co. asked K2B Marketing to develop for the Bite Box monthly subscription service.

K2B Marketing strongly believes that these activities will result in a positive return on Glondo's marketing investment. In year one, K2B Marketing anticipates gross sales of \$7,200, increasing to \$27,000 by year three. Glondo's input expenses for the Bite Box are able to stay low due to wholesaler relationships and existing inventory. These factors also keep labor costs low due to minimal prep work to package Bite Boxes for shipment. After taking input and advertising expenses into account, K2B Marketing anticipates a 16.42% Return on Investment in year one, and an increase to over 40% Return on Investment by year three.

Income	Year 1	Year 2	Year 3
Sales	96 Bite Boxes @ \$75.00	180 Bite Boxes @ \$75.00	360 Bite Boxes @ \$75.00
Gross income	\$7,200.00	\$13,500.00	\$27,000.00
General Expenses			
1. Packaging	\$235.20	\$441.00	\$882.00
2. Shipping/Delivery	\$720.00	\$1,350.00	\$2,700.00
3. Meat Products	\$737.28	\$1,382.40	\$2,764.80
4. Cheese Products	\$144.00	\$270.00	\$540.00
5. Additional Products	\$1,564.80	\$2,934.00	\$5,868.00
6. Paid Labor	\$657.12	\$1,232.10	\$2,464.20
7. Marketing Consultant Fee	\$1,500.00	\$1,500.00	\$1,500.00
8. Research and Development	\$0.00	\$0.00	\$0.00
Total General Expenses	\$5,558.40	\$9,109.50	\$16,719.00
Advertising			
1. Coupon Printing	\$96.00	\$180.00	\$360.00
2. Social Media Ad	\$50.00	\$100.00	\$150.00
3. Website	\$0.00	\$0.00	\$0.00
4. Promotional Discounts	\$480.00	\$900.00	\$1,800.00
Total Advertising Expenses	\$626.00	\$1,180.00	\$2,310.00
Total Expenses	\$6,184.40	\$10,289.50	\$19,029.00
Net Profit	\$1,015.60	\$3,210.50	\$7,971.00
Return on Investment (ROI)	%16.42	%31.21	%41.89

EVALUATION

Goals 1 and 2: Sell 96 Bite Boxes in the next fiscal year and 180 Bite Boxes in the second fiscal year. K2B Marketing Firm will utilize existing company software to analyze sales and ordering data of Bite Box customers and review on a monthly basis to analyze progress and growth towards these determined goals.

Goal 3: Earn 40% ROI by the 3rd fiscal year. K2B Marketing Firm will utilize data collection and analysis software such as QuickBooks to analyze profits, losses and expenses to determine the return on investment at the end of each year.

Contingency Plan

If sales and marketing strategies do not meet or exceed projections, K2B Marketing Firm has developed a series of contingencies for the Glondo's Sausage Co. Bite Box. It is our recommendation to:

- Analyze the price structure to better satisfy the demand.
- Reevaluate included products for price and appeal to the target market.
- Reanalyze promotion tactics for closer alignment to the target market.
- Conduct research to reassess current industry trends and adjust promotions to better satisfy consumer demands.

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