

Michigan FFA Association

Marketing Plan



Mason FFA Chapter

Chapter #MI0118

September 15th, 2015

Description of Product/Client Analysis

Star Tree Farms is a family-owned company you started as a hobby in 1985. You, the owner of the company, recently retired and want to increase the profit of your Christmas Tree Farm in order to earn a larger secondary income. You have a strong connection to the Mason-area and also want to use the tree farm as a tool to support the Mason community. On the thirty-two acre tree farm, your company sells a variety of Christmas trees and other Christmas-related products, including Christmas wreaths and ornaments. You have approached our Marketing Team to evaluate ways to increase profit, efficiency, and customer satisfaction.

Market Analysis

Client's Status in Current Market: Currently, Star Tree Farms is not at its full potential and has room to increase sales, produce more trees per acre, and effectively reach more people in the Mason community. The company sells more product than two of the other tree farms in the area; however, it has the opportunity to increase its share of the Christmas tree market by using the marketing strategies described in this plan.

Industry Trends: In the past several years, Christmas tree farms have heavily relied on the sales of fir trees due to their heightened demand in the market. Our research shows that customers enjoy the traditional experience of harvesting their own Christmas tree. This includes picking a real Christmas tree, cutting it down, taking a wagon ride, and getting pictures with Santa Claus. According to the Michigan Christmas Tree Association, in 2014, the sales of real Christmas trees increased due to consumers' appeal for a more traditional Christmas experience. Based on the data that we collected in the Mason community, the

demographic of people you are targeting want a real tree for the holidays and prefer to harvest the tree as part of a family experience. In 2015, the amount of people buying a real Christmas tree from a tree farm is expected to increase once again.

Buyer Profile:

- 👤 8,300 people in Mason, Michigan
- 👤 Average age: 36
- 👤 Average household income: \$53,000
- 👤 Average number of children/household: 2.5
- 👤 Target Demographic: 2,000 families



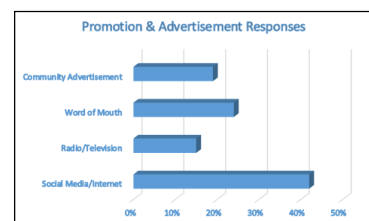
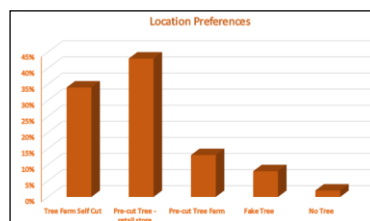
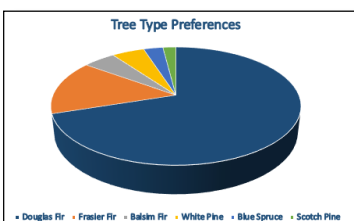
SWOT Analysis:

Competition	
Strengths: 🌳 Larger amount of available product 🌳 Established brand and name recognition 🌳 High quality product	Weaknesses: 🌳 Limited customer services 🌳 Less economical price 🌳 Single tree species available
Opportunities: 🌳 Increase through outside sales 🌳 Maximize acreage used for new growth 🌳 Lower current prices	Threats: 🌳 Tree disease/loss of capital 🌳 Customer dissatisfaction 🌳 Drought/loss in capital or quality

Star Tree Farms	
Strengths: 🌳 Family-friendly atmosphere 🌳 Most affordable tree in the market 🌳 Exceptional quality for the price 🌳 Value added products; wreaths/ornaments/tree care products	Weaknesses: 🌳 Lacks brand recognition 🌳 Limited amount of space for growth 🌳 Fewer number of products available onsite
Opportunities: 🌳 Implement brand recognition strategies 🌳 Build on additional holiday experiences 🌳 Increase tree sales by purchasing from wholesalers	Threats: 🌳 Tree disease/loss of capital 🌳 Customer dissatisfaction 🌳 Drought/loss in capital or quality

Primary Research: The results for our research were compiled based on the 150 surveys taken since the 2014 Christmas season. The team reached out to a variety of people and organizations in the Mason-area in order to best reach the demographic of people we feel should be targeted in order for Start Tree Farms to be successful. With this research, we gathered the following information:

- 🌳 70% of your target market in the Mason-area prefer Douglas Fir over any other species of Christmas tree.
- 🌳 34% of the survey completers cut down their own tree or went to a tree farm.
- 🌳 42% of the people surveyed get information for sales or experience from suggestions made on social media and the internet.



A copy of the survey is available on page 8.

Business Proposal:

Mission Statement: Star Tree Farms is the natural Christmas tree farm of choice and sales leader among newly-weds, young families and community supporters in the Mason, Michigan-area.

Key Planning Assumptions:

- 🕒 The Christmas holiday will continue to be celebrated by people in the Mason-area.
 - 🕒 People will continue to want to make harvesting their Christmas tree a part of the Christmas experience.
 - 🕒 Social media will continue to be a viable way to promote and market a business.
 - 🕒 The Mason-area will continue to support local businesses and non-profit organizations.
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Goals and Objective:

Goal Area:	Short Term	Long Term
Increase Christmas Tree Sales	Meet customer demand for desired trees by year 1 by selling trees from Star Tree Farms and outsourcing popular trees from wholesalers in the market.	To double amount of trees sold from year 1, with optimum tree growth and sales from Star Tree Farms by year 10.
Connect with the target market	Provide Christmas characters and experiences in year 1.	Provide additional holiday experiences appealing to target market by year 2.
Have 100% customer satisfaction	Send "Thank You" letter to each customer instructing them about tree disposal options.	Use the information collected from the evaluations and implement immediate improvements.
Marketing return on investment	Implement advertising strategies by year 1.	Increase number of customers by 50% by 2024.

A copy of the evaluation is available on page 8

Target Market: Specific to Mason, Michigan

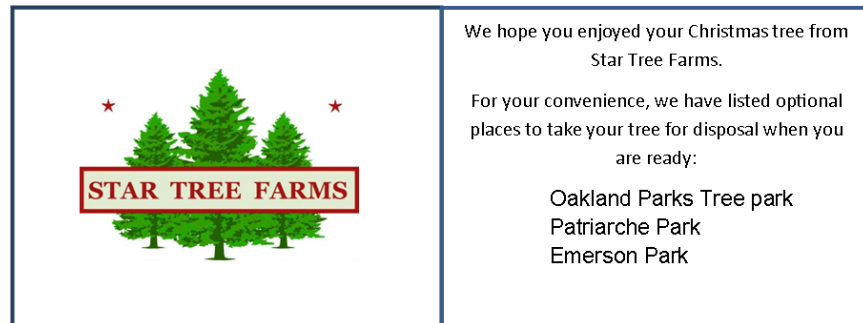
- 🕒 Young couples starting Christmas traditions
- 🕒 Families with children still in the home
- 🕒 Churches and non-profit organization seeking ideas for community outreach and member opportunities
- 🕒 Landscaping companies seeking trees for landscaping and development



Strategies and Action Plan:

Product/Company Attributes

- Star Tree Farms provides a large variety of trees, including: Blue Spruce, Scotch Pine, Balsam Fir, and White Pine.
- The company will outsource popular trees that are standard height (6ft – 8ft) that are not grown at Star Tree Farms, including: Frasier Fir and Douglas Fir.
- Trees grown at Star Tree Farms range from under 3' to over 10' tall.
- All trees have received the same high quality treatment.
- Star Tree Farms will provide customers the option of buying a pre-cut tree or cutting their own tree. Additionally, every tree will be shaken and wrapped for the benefit of the customers.
- Star Tree Farms provides additional products within the sales barn, including Christmas wreaths, Christmas decorations, tree stands, tree fertilizer, and firewood at competitive rates.
- Star Tree Farms will send a "Thank You" card to all customers after New Year's Day with instructions on how and where they can dispose of their then-unwanted Christmas tree.

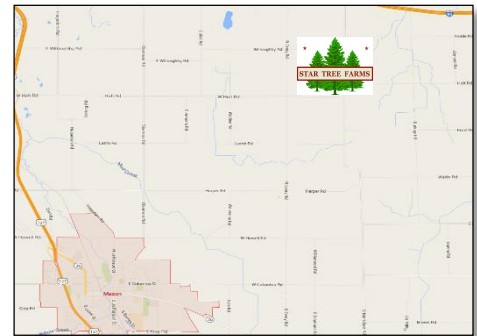


"Thank You" card sent to customers after they have enjoyed their Christmas tree.

Price Structure for Christmas Trees:

Price Structure						
Includes all species of tree available at Star Tree Farms						
Description	Year 1	Year 3	Year 5	Year 7	Year 9	Year 10
Trees under 6'	\$38	\$38	\$40	\$42	\$42	\$45
Trees 6'-8'	\$43	\$43	\$45	\$47	\$47	\$50
Trees 8'-10'	\$53	\$53	\$55	\$57	\$57	\$60
Trees over 10'	\$63	\$63	\$65	\$67	\$67	\$70
Pre-cut Trees 6'-8'	\$45	\$45	\$45	\$50	\$50	\$55

Place: The value-added experience of Star Tree Farms will focus on the target market around the community of Mason, Michigan.



Promotion (Brand Recognition Plan)

- 🕒 **New Brand:** The first key piece to increase your brand recognition was to create a new digital logo that can be used for both online and physical signs.
- 🕒 **New Signs:** Though simple, new signs at the heavily trafficked street corners you are located near will increase visibility and be valuable when the other promotional pieces are completed.
- 🕒 **Social Media:** Using the tagging and mapping features available through social media, Star Tree Farms can offer coupons and promotions for customers tagging the company, thus sharing the experience with friends and positively promoting the company.
- 🕒 **Local Business Partnership:** By using the advertisement shown to the right, Star Tree Farms can use space available at local establishments that cater to families and young couples to get additional touch points with their demographics.
- 🕒 **Additional Holiday Experience:** Using Star Tree Farms' passion for serving the Mason community, the company will partner with local non-profit organizations such as the Girl Scouts, Kiwanis, or Rotary Clubs and offer additional holiday experiences. These include, but are not limited to, Easter Egg Hunts, Fourth of July Fireworks, and Halloween Hayrides. These experiences will provide exposure to the target demographic and promote Star Tree Farms as a community supportive company.



Logo from 1985



Logo for 2015



Placemat advertisement at local businesses

Position: Star Tree Farms is the family-friendly Christmas Tree Farm in Mason, Michigan, providing quality trees at affordable prices. This, coupled with memorable experiences and a passion for serving others, makes Star Tree Farms Mason, Michigan's Christmas destination.

Budget:

Star Tree Farms											
Budget											
Year	2014 Actual	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Income											
Christmas Tree Sales	\$ 24,500	\$ 28,000	\$ 28,000	\$ 28,000	\$ 34,000	\$ 34,000	\$ 36,000	\$ 48,000	\$ 49,000	\$ 49,000	\$ 50,000
Wreaths	\$ 1,750	\$ 1,750	\$ 1,750	\$ 2,500	\$ 2,500	\$ 3,750	\$ 3,750	\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,250
Firewood	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Christmas Tree Stands	\$ 3,500	\$ 4,600	\$ 4,600	\$ 4,600	\$ 4,876	\$ 4,876	\$ 5,175	\$ 6,900	\$ 7,038	\$ 7,038	\$ 7,176
Landscaping Sales	\$ -	\$ 300	\$ 500	\$ 500	\$ 600	\$ 600	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
Holiday Events	\$ -	\$ 1,200	\$ 1,300	\$ 1,400	\$ 1,500	\$ 1,600	\$ 1,700	\$ 1,800	\$ 1,900	\$ 2,000	\$ 2,000
TOTAL INCOME	\$ 32,250	\$ 38,350	\$ 38,650	\$ 39,500	\$ 45,976	\$ 47,326	\$ 49,425	\$ 63,750	\$ 64,988	\$ 65,088	\$ 66,226
Expenses											
Labor											
*Seasonal Labor	\$ 6,264	\$ 6,264	\$ 6,264	\$ 7,704	\$ 7,704	\$ 7,704	\$ 7,704	\$ 9,144	\$ 9,144	\$ 9,144	\$ 9,144
Trees											
*Outsourced Trees	\$ -	\$ 1,700	\$ 1,700	\$ 1,700	\$ 2,550	\$ 2,550	\$ 3,400	\$ 3,400	\$ 3,825	\$ 3,825	\$ 4,250
*Seedlings	\$ -	\$ 850	\$ 850	\$ 860	\$ 860	\$ 870	\$ 870	\$ 880	\$ 880	\$ 890	\$ 1,000
*Stands	\$ 3,400	\$ 3,400	\$ 3,400	\$ 3,400	\$ 3,613	\$ 3,613	\$ 3,825	\$ 4,200	\$ 4,200	\$ 4,500	\$ 4,500
Trimming											
*Trim Pines Trimming	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Fertilizer											
*Pre-made 30-20-10	\$ -	\$ 900	\$ 1,400	\$ 2,100	\$ 2,800	\$ 3,500	\$ 4,200	\$ 4,400	\$ 4,400	\$ 4,400	\$ 4,400
Tiling											
*Keppler Custom Tile	\$ -	\$ 360	\$ 360	\$ 400	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing											
*New sign	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
*Webpage	\$ 276	\$ 300	\$ 300	\$ 300	\$ 400	\$ 400	\$ 400	\$ 500	\$ 500	\$ 500	\$ 600
*Christmas Characters	\$ -	\$ 250	\$ 250	\$ 250	\$ 300	\$ 300	\$ 300	\$ 350	\$ 350	\$ 350	\$ 400
*Reindeer	\$ -	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
*Menu Placemats	\$ -	\$ 450	\$ 450	\$ 450	\$ 500	\$ 500	\$ 500	\$ 550	\$ 550	\$ 550	\$ 600
*Holiday Events	\$ -	\$ 1,200	\$ 1,300	\$ 1,400	\$ 1,500	\$ 1,600	\$ 1,700	\$ 1,800	\$ 1,900	\$ 2,000	\$ 2,000
Customer Appreciation											
*Food/Drinks	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,350	\$ 2,350	\$ 2,350	\$ 2,500	\$ 2,500
*Holiday Hayrides	\$ 300	\$ 300	\$ 300	\$ 400	\$ 400	\$ 400	\$ 400	\$ 500	\$ 500	\$ 500	\$ 500
*Customer Cards	\$ -	\$ 700	\$ 800	\$ 900	\$ 900	\$ 1,000	\$ 1,000	\$ 1,200	\$ 1,200	\$ 1,300	\$ 1,300
Wreath Material	\$ 150	\$ 150	\$ 150	\$ 150	\$ 200	\$ 200	\$ 250	\$ 300	\$ 300	\$ 350	\$ 350
TOTAL EXPENSES	\$ 13,890	\$ 23,824	\$ 22,524	\$ 25,214	\$ 27,327	\$ 27,837	\$ 29,899	\$ 32,574	\$ 33,099	\$ 33,809	\$ 34,544
Profit/Loss	\$ 18,360	\$ 14,526	\$ 16,126	\$ 14,286	\$ 18,650	\$ 19,490	\$ 19,526	\$ 31,176	\$ 31,889	\$ 31,279	\$ 31,682
* cost breakdown for different categories within your budget											

Evaluation:

Evaluation	
Goal Evaluated	Method of Evaluation
Customer Satisfaction	🕒 Survey completed at check out 🕒 Return customers
Tree Sales	🕒 Number of each species sold ○ Helps determine what to plan for future success at Star Tree Farms
Community Support	🕒 Social media followers 🕒 Number of attending participants 🕒 Additional requests for use of the space
Brand Recognition	🕒 Survey completed at check out 🕒 New customer sales

Survey used for Primary Research:

Mason Marketing Survey
Christmas Trees

The following information is collected to determine what people in the Mason area expect from a Christmas tree harvesting experience.

Age: 18-20 20-25 25-30 30-35 40-45 45-50 50+

of children: 0 1 2 3 4 5+

Do you have a: Real Christmas Tree Fake Christmas Tree

If you have a real tree, do you prefer (please circle each):

Soft needles	Hard Needles
Long needles	Short Needles
Heavily-scented tree	Non-scented tree
Wide branches	Thin Branches
Tall	Short

***If you know the species of tree, please specify:** _____

Do you go to a Christmas Tree Farm to select a tree: Yes No

If no, would you prefer to go to a farm to select a tree: Yes No

Thank you for your time.

Evaluation used at customer checkout, ensuring customer satisfaction:

Star Tree Farms Customer Evaluation

On a scale of 1-10, how would you rate your experience at the farm today? Please explain if necessary.

1 2 3 4 5 6 7 8 9 10

Is there any way we could improve our business to make your experience more enjoyable?

How many years have you been attending Star Tree Farms?

1-5 6-10 11-15 16-20 21-25

Where did you hear about Star Tree Farms? (Circle each)

Restaurant Placemat Ad	Radio	Social Media
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Home Retailer Non-Profit Event Other: _____

Thank you, and Merry Christmas!