

Holiday Farms Recycling

*Let Us Go **Green** For You!*



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Client Status in the Market

Holiday Farms Greenhouse and Nursery is located in Imperial, Nebraska, and has been in business since 1996. Holiday Farms is a horticultural enterprise, selling bedding plants, retail nursery stock, and landscape design and installation. Holiday Farms also offers full-service lawn care, including fertilizer, pest control, and lawn mowing. During the Christmas season, Holiday Farms sells retail Christmas trees. Currently, Holiday Farms has two full-time employees and hires three part-time employees for seasonal help from May through October. With the equipment Holiday Farms has available, our marketing firm sees an opportunity for Holiday Farms to expand and add value to their business by entering the Environmental Services System of the agriculture industry and offering a curbside recycling pick-up service.

Analysis of the Market

Industry Trends

Keshtra Marketing Firm started a market analysis by researching trends that indicated an opportunity to break into the Environmental Service Systems sector of the agriculture industry by offering a curbside recycling service in the southwest Nebraska area. In the United States, nonhazardous solid waste is a \$55 billion annual business. Waste collection is the largest segment of the market with 61% of revenue (\$34 billion).

According to the Center for Leadership in Global Sustainability, out of Virginia Tech, 65% of Americans do not recycle. One of the top reasons cited by the CLIGS regarding why people do not recycle is that it is “too much work.”

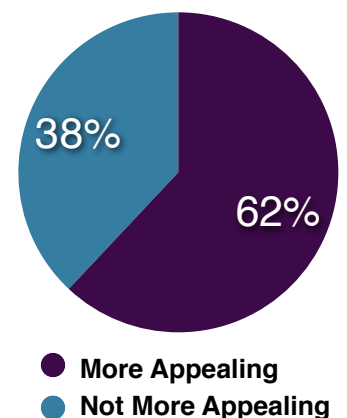
A survey conducted by the National Waste and Recycling Association showed that 55% of towns confirmed that their cities offer “curbside collection” of recyclables, which are set on the end of household driveways separately from the household trash, in a bin or cart, for the city employees to collect. Currently, the potential towns in your target market area are not within that 55% of towns that do offer a “curbside collection.”

Buyer Profile and Behavior

To find out more about potential customers in the target market area, market research was conducted. Keshtra Marketing designed online surveys and 200 people were chosen randomly to participate. The survey was used to gain information related to the buyer profile, recycling habits, and attitudes toward a curbside recycling pick-up service. After analyzing the results of the survey, several viable opportunities were brought to our attention.

The buyer profile consisted of 21% of participants who were ages 40 to 49 and 57% who were ages 50 and older. The survey yielded several important factors: Currently, 13% of participants said they recycle once a week, 27% said once every two weeks, and 35% said they recycle once a month; If a curbside pick-up service was offered, 42% of surveyed participants said they would want their recyclables picked up once a week, 27% every two weeks, and 30% said they want their recyclables picked up once a month. When survey participants were asked what their main reason for

Table 1



not recycling was, 58% indicated that it was too inconvenient (time consuming, pick-up service not provided, etc.), while 42% indicated it was for other reasons. When asked, 62% indicated that a local business offering a curbside recycling pick-up service that does not require them to sort their own recyclables appeals to them (Table 1 on page 1) and 81% said they would pay \$8 for each pick-up.

Competitor SWOT Analysis

- Local Municipal Recycling Centers

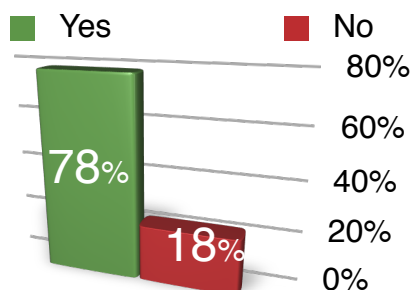
Strength	Weakness	Opportunity	Threat
Provide citizens with an opportunity to recycle for free	Require citizens to sort their own recyclables	Have the structure and the financial means to start up their own recycling pick-up business	Time commodity of community members (Table 2)
	Require citizens to transport their recyclables to the center		

Holiday Farms Recycling SWOT Analysis

Business Proposition

Strength	Weakness	Opportunity	Threat
Offering a service which is not available in local communities	Lack the equipment to conduct a large-scale recycling pick-up service in the target market area	Saving time for citizens; allowing people to use time spent recycling in another way (Table 2)	Citizens can recycle for free on their own time
Viewed as a reputable locally owned business in the Imperial area		Offer a convenient way to recycle	City municipalities could start their own pick-up service

Table 2
American workers were asked if they wish they had more time to “smell the roses”



Over the last 20 years, Dr. Donald E. Wetmore, one of the foremost experts on time management, has gathered facts and figures on the time management of Americans. (See Table 2)

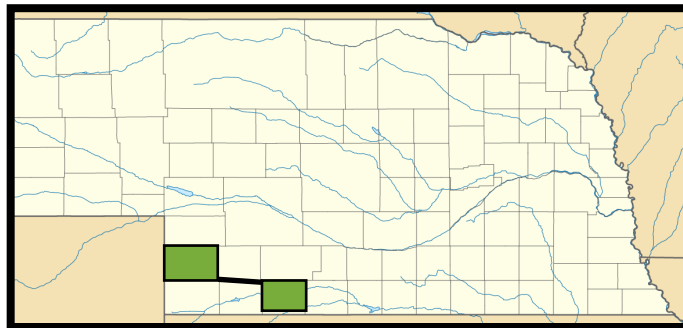
Key Planning Assumptions

1. Holiday Farms has the minimum equipment necessary to start a curbside recycling pick-up service.
2. People who recycle will pay for a service that offers convenience and saves them time.
3. Small rural communities are supportive of locally owned businesses.
4. The City of Imperial municipalities will be supportive of a curbside pick-up service because it offers them an opportunity to make a greater profit from the recyclables delivered to the recycling center.

Target Market Area

The target market area includes 3,426 individual households in Imperial, Wauneta, and McCook, Nebraska. (See Table 3)

Table 3



Goals and Objectives

1. Use six different sources of advertising by the end of 2016.
 1. Social Media
 2. Website
 3. QR Code
 4. Newspaper
 5. Movie Theater
 6. Toter Labels
2. Purchase a recycling trailer to help the efficiency of curbside pick-up by the beginning of 2018.
3. By 2019, client base will include 60% of the households in Imperial and Wauneta, and 40% in McCook.
 - Year 1: 30% of households in Imperial
 - Year 2: 40% of households in Imperial, 30% of households in Wauneta
 - Year 3: 50% of households in Imperial, 50% of households in Wauneta, 30% of households in McCook.
 - Year 4: 60% of households in Imperial, 60% of households in Wauneta, 40% of households in McCook.
4. Earn a profit of \$120,000 by 2019.

Mission Statement

Holiday Farms Recycling is dedicated to providing a quality, convenient, and community-friendly curbside recycling pick-up service.

Strategies and Action Plan

Product Attributes

- Convenient
- Customers recycle at their own pace
- Locally owned Nebraska business
- Contributes to a cleaner environment

Distribution and Sales

Holiday Farms currently owns two extended cab pickups and one 16 foot PJ dump trailer that will be used to pick up the recycling in the first two years. A 16 foot, hydraulic, 6000 lb. capacity recycling trailer will be purchased from National Recycling Trailers Co. by the beginning of 2018 to make the curbside pick-up service more efficient.

Holiday Farms Recycling will pick up recycling in each town in the target market area once a week. In year one, the target market will consist of Imperial only. The pick-up service will be available on Monday and Tuesday of every week. By year two, on Tuesdays, distribution will expand to Wauneta, Nebraska. In year three, recycling will be picked up on Wednesdays, Thursdays, and Fridays in McCook, Nebraska. After picking up recyclables in Imperial and Wauneta, the materials will be transported to the Imperial Recycling Center, where employees will sort the recycled materials. McCook recyclables will likewise be delivered and sorted at the McCook Recycling Center.

Customers of Holiday Farms Recycling will need to obtain a toter from Holiday Farms. Holiday Farms will set up a system where customers will pay a \$50 deposit for the toter. If customers decide to discontinue the service and their toter is in good condition, they will receive their full deposit back. If customers stay with Holiday Farms Recycling for more than five years, they will obtain ownership of the toter.

Holiday Farms Recycling will use green stickers that must be placed on the toters to indicate that a household wants their recyclables emptied that week. Stickers will be available to be purchased by customers at Holiday Farms in Imperial, Walgren's Supermarket in Wauneta, and Schmick's Market in McCook.

In year two, Holiday Farms will start offering a new payment system that allows customers to prepay for the pick-up service. Dwolla, is a payment network app that allows a business to accept payments from customers. This will be a simple, convenient, and progressive method for customers who would like another payment option other than the sticker system.

Price Structure

• Regular Curbside Pick-up Price

\$8.00 per sticker

- 1 sticker = 1 curbside pick-up

Promotion

Holiday Farms Recycling will use the following methods of advertisement:

- **Social Media (See Tables 4 & 5)-** Holiday Farm's Facebook page should now include information about the new curbside recycling pick-up service. Facebook is a popular social networking site that provides a free means of advertising. Facebook will allow Holiday Farms to post contact information and promotional status updates about the recycling service. Customers can also post testimonials on Facebook.

Twitter will be the second method of social media used in the advertising campaign. Holiday Farms can use Twitter to post short recycling facts and/or curbside pick-up campaigns. Customers can also tweet about the pick-up service so it is open for more of the public to see. When Holiday Farms or its customers utilize the hashtag on Twitter, it allows those who click on the hashtag to directly access other tweets with that same hashtag. Those hashtags will expose customers to more tweets about the recycling industry and Holiday Farms' curbside pick-up service.

The third social media tool Holiday Farms will use is SocialBro. SocialBro uses a combination of tweet analytics and content to identify the tweets that the user's audience responds to the most. This social media tool will aid Holiday Farms in effectively using Twitter to market the curbside recycling pick-up service.

The fourth avenue of social media that will be utilized is SnapChat. SnapChat is a simple video and photo sharing app that can be used effectively to market a business or service. SnapChat will offer Holiday Farms a creative and trending marketing option that will be another means of expanding advertising reach.

Table 4

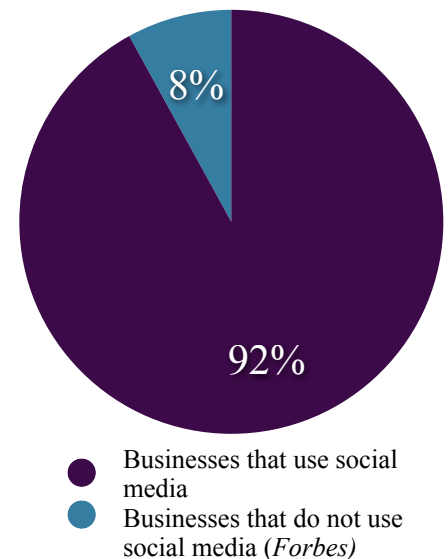
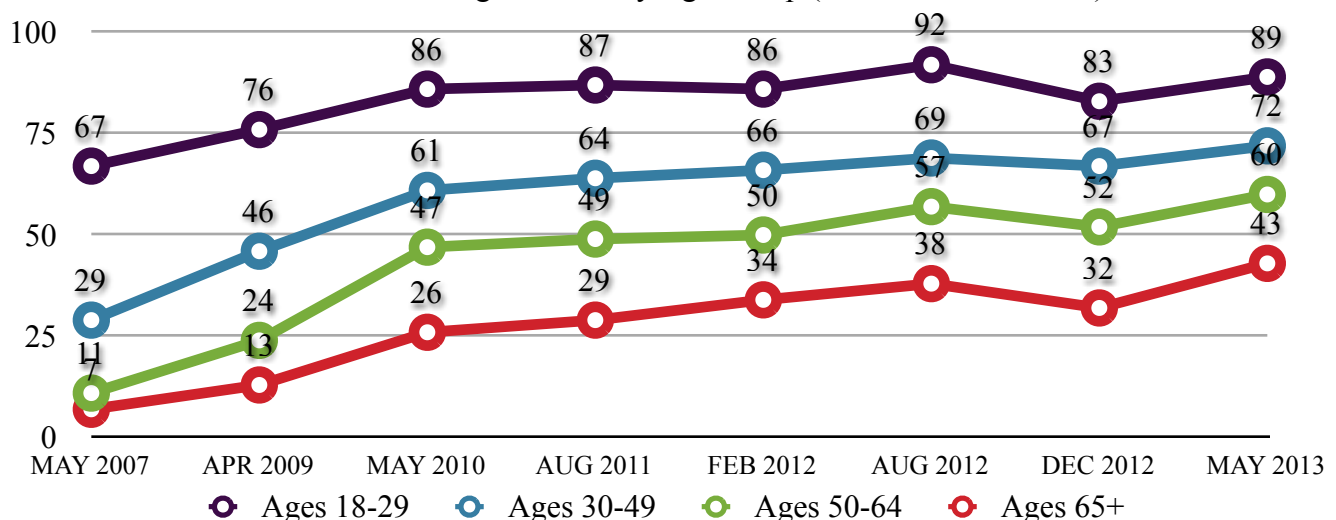


Table 5

Social Networking Site Use By Age Group (Pew Research Center)



- **Website-** A website will be created to provide customers with pricing information, logistics about the curbside pick-up, where to purchase the stickers, and contact information.
- **QR Code-** A QR code will be placed on the stickers, purchased by customers, and toter labels. A QR code appears as a black and white square that is embedded with a URL. When the QR code is scanned with a smartphone, it will connect the cell phone user to the Holiday Farm's website.
- **Newspaper-** Place a monthly ad in the Imperial Republican, Wauneta Breeze, and McCook Daily Gazette
 - 4"x 5" ad, every month, providing information about the curbside pick-up service.
- **Movie Theater-** Imperial and Wauneta movie theaters play on Friday through Sunday evenings. Thirty minutes before the movie begins, local business advertisements run on the screen. Advertising in these movie theaters will be an affective means to increase the number of individual households that are aware of Holiday Farms Recycling curbside pick-up service.
- **Toter Labels-** Holiday Farms Recycling labels will be placed on toters. The labels will contain the Holiday Farms Recycling business name, logo, and phone number as well as the QR code.

Positioning

Holiday Farms Recycling is marketing to individual households who recycle and individuals who would consider recycling if it were more convenient. Holiday Farms will make recycling more convenient for those citizens by picking up recyclables, sorting them, and taking them to the recycling center. It will be positioned with the slogan, *Let Us Go Green for You!*

Evaluation

Holiday Farms Recycling will need to evaluate the success of their business in three areas: profitability, customer satisfaction, and the percentage of households using the curbside pick-up service. Although the goals are reasonable and expected to be met, our marketing firm realizes the importance of having a contingency plan to make corrections if necessary. For details of the evaluation process and contingency plan, see the table below.

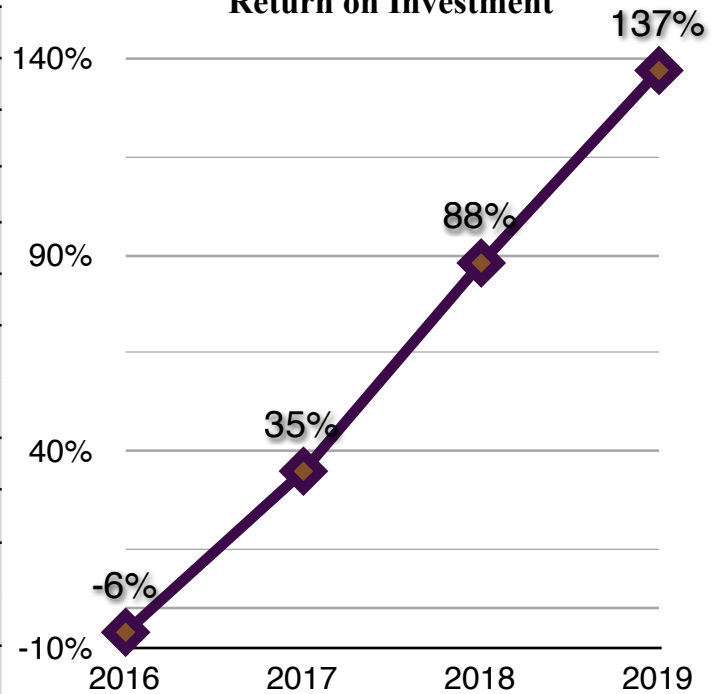
Area	Monitoring Method	Contingency
Profitability	Analyze income statements monthly	1. Reassess pricing policy 2. Explore new promotional techniques
Customer Satisfaction	1. Design an annual survey for customers 2. Evaluate the success of promotional techniques	Make changes based on common customer suggestions
Percentage of households using curbside pick-up service	Track inventory on the number of recycling toters being used	Evaluate and reconsider target market area

Budget

INCOME	YEAR 1	YEAR 2	YEAR 3	YEAR 4
Sales				
Sticker Sales	\$25,968.00	\$42,144.00	\$153,536.00	\$200,016.00
Toter Deposits	\$5,000.00	\$3,100.00	\$21,450.00	\$9,000.00
Total Gross Income	\$30,968.00	\$45,244.00	\$174,986.00	\$209,016.00
Equipment				
Recycling Trailer	\$0.00	\$5,000.00	\$2,672.76	\$2,672.76
Total Equipment	\$0.00	\$0.00	\$5,000	\$2,672.76
Advertising				
Website	\$1,079.88	\$1,090.68	\$400.00	\$400.00
Newspaper Ads	\$822.00	\$1,644.00	\$1,964.52	\$1,964.52
Movie Theater	\$450.00	\$450.00	\$450.00	\$500.00
Toter Labels	\$600.00	\$378.00	\$2,442.00	\$1,206.00
Total Advertising	\$2,951.88	\$3,562.68	\$5,256.52	\$4,070.52
Production Costs				
Laborers	\$18,720.00	\$20,800.00	\$43,472.00	\$58,136.00
Toters	\$6,695.00	\$4,192.44	\$29,297.00	\$12,415.00
Stickers	\$163.90	\$257.77	\$1,008.10	\$1,441.73
Fuel	\$295.50	\$621.50	\$5,096.84	\$5,117.67
Insurance	\$3,600.00	\$3,636.00	\$3,672.36	\$3,709.08
Miscellaneous	\$500.00	\$500.00	\$500.00	\$500.00
Total Production Costs	\$29,974.40	\$30,007.71	\$83,046.30	\$81,319.48
Total Expenses	\$32,926.28	\$33,570.39	\$93,302.82	\$88,062.76
Net Profit	-\$1,958.28	\$11,673.61	\$81,683.18	\$120,953.24

Keshtra Marketing has identified an opportunity for Holiday Farms to obtain an equipment grant from recyclenebraska.org for \$10,000. Because of the uncertainty of securing a grant, the budget above does not include the grant. If you would like more information about this grant, please feel free to ask.

Return on Investment



Budget Breakdown

