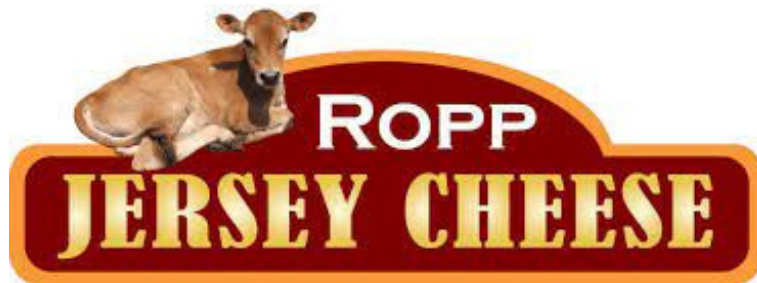


CHEESE PLEASE!



Normal Marketing Team



NORMAL FFA - ILLINOIS - 2022 - IL0508

Ropp Jersey Cheese

has a well-established reputation and history within the dairy industry and McLean County. Initially, the Ropp farm was a homestead producing for their own consumption and needs. After returning home from the Army in 1967, Ray Ropp began expanding their homestead to a dairy farm. Mr. Ropp and his family built a 96-stanchion barn that could accommodate 12 cows milking at one time. The farm is committed to providing its customers with the highest quality of cheese while maintaining the integrity of its local landscape. In recent years, Ken Ropp has taken over ownership as a 7th generation farmer in his family. Ropp Jersey Cheese is currently looking to expand its business through a new monthly subscription service, **Cheese Please!**, which provides an affordable, healthy, and local option for customers to experience a variety of cheese products each month. Through the implementation of the subscription box service, Ropp Jersey Cheese aims to provide a high quality product to compete with cheese subscription boxes currently in the market such as Murray's Cheese, Cheese of the Month Club, and Curdbox.

Market Analysis

Client's Status in the Market

Ropp Jersey Cheese is a local dairy farm and the only on-farm cheese processor, wholesaler, and retailer within a 50-mile radius of Bloomington-Normal (meaning there are no other local competitors). The success of the farm stems from its ability to produce a consistent product while providing a family-friendly environment. Initially, the Ropp farm was a homestead producing for their own consumption and needs. After returning home from the Army in 1967, Ray Ropp began expanding their homestead to a dairy farm. Mr. Ropp and his family built a 96-stanchion barn that could accommodate 12 cows milking at one time. In addition to producing products with the utmost care, minimal waste, and top-notch quality, Ropp Jersey Cheese farm is owned and managed by Ken and Becky Ropp. Ken Ropp is a 7th generation farmer who is committed to maintaining the integrity of the local landscape. Ropp's products can be found in grocery stores and breweries within the McLean County area. Despite the farm's success with in-person purchases, Ropp's would like to expand their online purchasing services and are eager to market their product to consumers throughout the state of Illinois. Although Ropp Jersey Cheese is a small-scale farm, they are entering a rapidly growing market of subscription services with a product that differentiates itself from other cheese products. The farm is exclusive to only Jersey cows. Jersey cows are ideal for cheese production due to their high butterfat content and nutritious value. Cheese products derived from Jersey cow's milk are considered high quality amongst cheese producers and consumers. The Ropp's are largely interested in reaching communities beyond McLean County, which is their current customer base, while continuing to provide a local community feel to its customers. Current marketing strategies includes a website, advertisements via social media, and holding social engagement events. Ropp Jersey Cheese relies on word-of-mouth to build relationships with its community members. While Ropp Jersey Cheese has developed a digital marketing strategy, our team has decided to refine its social media presence via Facebook and Instagram to broaden its clientele. The Normal marketing team believes that Ropp's goals can be achieved through the implementation of modernized marketing strategies and a subscription service.

Industry Trends

Cheese Industry: In 2019, US dairy consumption rates reached an all-time high. Based on America's recent consumption rates, demand for all dairy-based products has increased by 8 percent. Published by the USDA, displaying models of dairy trends in 2021 reveal a 51 percent increase in yearly cheese consumption. Consumer spending on cheese products is expected to increase as the quality of products improve. A survey conducted over 9 different countries acknowledged that 67 percent of consumers admitted to consuming cheese due to its nutritional benefits. An additional 77 percent of consumers acknowledged cheese being a go-to snack due to its convenience (portable/clean).

Subscription Industry: In recent years, consumer participation in subscription services has grown exponentially. Approximately 85% of American households have enrolled in a subscription service within the last decade. As American households become more interested in subscription services, the industry will rapidly expand. According to a report from the USB, subscription models are expected to grow from a \$650 billion market to a \$1.5 trillion market between 2020 and 2025. Consumers acknowledge that subscription services provide a sense of convenience and variety to their tasting pallet.

Consumer Trends: About 8% of US farms market food products directly to consumers. While Americans typically enjoy an abundant and cost-effective food supply, we have seen a shift in American buying trends. 76% of American households want to support sustainable products. Consumers admit to wanting to support local products, however, purchasing these products is inconvenient. A recent study found that advertising influences 90% of consumers to make a purchase. Specifically, 81% of Millennials and 57% of Baby Boomers are influenced by advertisements through media. Advertisements are presented in the forms of television, radio, social media, online, and written work.

Buyer Profile and Behavior

The Normal FFA Marketing Team conducted various studies covering a wide range of demographics to better understand who is filling the six key buying roles of buying behavior. The buying roles identified are initiator, influencer, decider, buyer, user, and gatekeeper. We have come to the conclusion that our target audience is mothers in the upper middle class with an annual household income of around \$95,000, age group of 30-45, and living in the Bloomington-Normal area. The three buyer decision-making processes can be identified in the table below.

Buying Roles	Buying Behavior	Buyer Decision Making Process			Validation
		Supports local business; Buys cheese to consume for self	Supports local business; Buys cheese for family to consume	Family members consume local cheese	
Indicator	Identifies need for purchase of subscription box	X	X		Mother identifies need to purchase cheese products for herself and family
Influencer	Personal views influence decision to purchase subscription box	X	X	X	Mother's personal views on importance of shopping locally influence her to seek local dairy farms for cheese products
Decider	Consents to decision to purchase subscription box.	X	X		Mother approves and encourages purchase of cheese subscription box as it supports local business, provides selection of products, and continues monthly
Buyer	Holds authority to purchase subscription box.	X	X		Mother, who does the grocery shopping for family, holds authority of purchasing local cheese products for herself and family
User	Consumes contents of subscription box	X		X	Mother and her family consume the cheese products.
Gatekeeper	Controls information and access to decisions and purchasing of subscription box		X		Mother encourages children to consume cheese products by incorporating into meals and snacks.

SWOT Analysis

Ropp Jersey Cheese is only one producer in the very large dairy industry. With this knowledge, the SWOT analysis is critical to separate Ropp Jersey Cheese from its competition. Murray's Cheese of The Month Club, Gourmet Cheese of The Month Club, and Curd Box are the top competitors in the dairy product subscription box market. These competitors incorporate cheeses from various different farms nationally and abroad which makes Ropp Jersey Cheese one of the only distributors to produce, package, and distribute the cheese all in one location. For Ropp Jersey Cheese, the locality and freshness of the cheese are what sets them apart.

Competition:



Client:

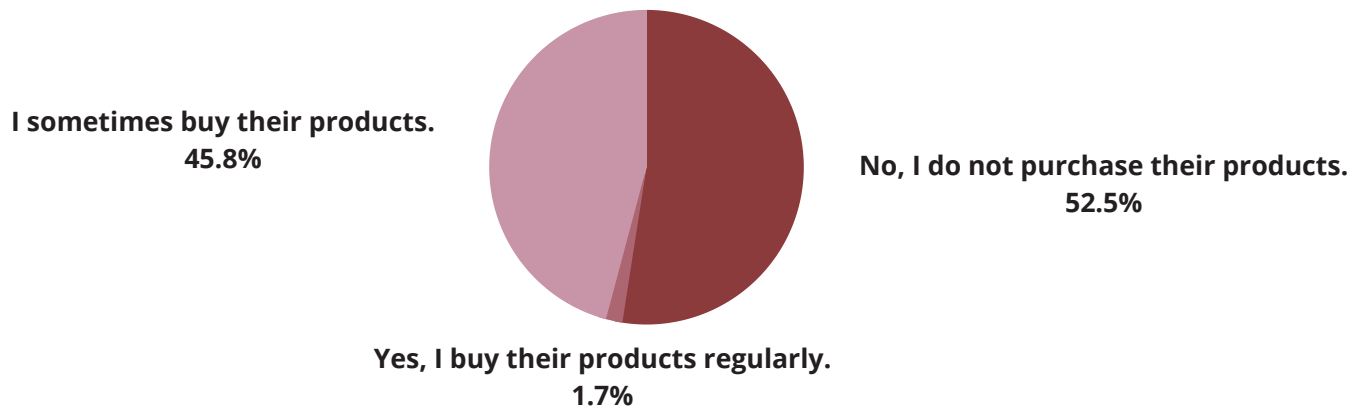


Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> - Easy online access - Pairing suggestions - Informative card on what is in the box 	<ul style="list-style-type: none"> - \$63 per month not including shipping - No dietary adaptations 	<ul style="list-style-type: none"> - Different box themes - Good press publicity - Ships nationwide 	<ul style="list-style-type: none"> - Over \$60 each purchase
<ul style="list-style-type: none"> - Pairing suggestions - Information about the cheese - Easy online access 	<ul style="list-style-type: none"> - \$42 per month not including shipping 	<ul style="list-style-type: none"> - Customizable box - Gift boxes - Ships nationwide 	<ul style="list-style-type: none"> - Over \$40 each purchase - Not very well publicized
<ul style="list-style-type: none"> - Can skip a month - Pairing suggestions - Blog about cheese - Easy online sign up 	<ul style="list-style-type: none"> - Expensive shipping - Minimum \$50 purchase - Bills on 24th of month 	<ul style="list-style-type: none"> - Dietary adaptations - Lots of press publicity - Can order large group orders 	<ul style="list-style-type: none"> - Over \$50 each purchase
<ul style="list-style-type: none"> - Has many partnerships - Prices do not fluctuate 	<ul style="list-style-type: none"> - Has to be fresh - Poor online sales - Poor media advertisements 	<ul style="list-style-type: none"> - Business is expanding - Cheese curds are best seller - Local support 	<ul style="list-style-type: none"> - Government restrictions - Low publicity - Current economy

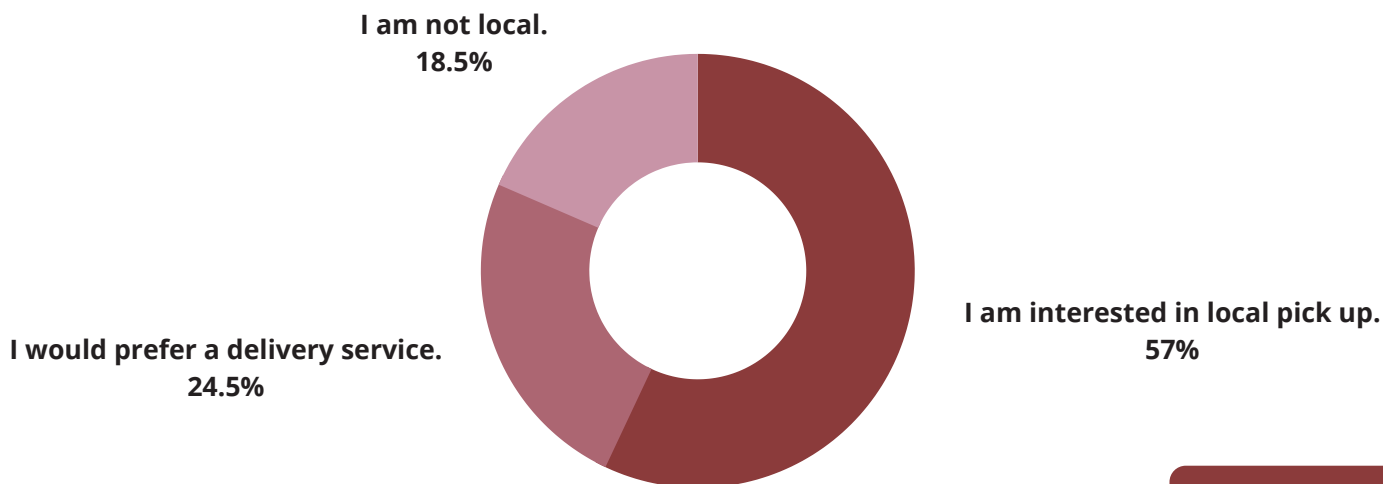
Primary Research Results

Normal FFA Marketing sent out a survey to local members in the McLean County area. 283 surveys were completed. The goal of the survey was to find out how many people know of or have purchased Ropp Jersey Cheese, the demographic of purchasers/consumers, and the range of interest in subscription boxes. We needed to know how many people in the community knew of Ropp Jersey Cheese so we could effectively create a marketing plan to connect locals. In addition, we had to know the demographics of our common purchasers/consumers so that we could create our target market. Finally, the survey was used to know if people were interested in subscribing to a cheese box in addition to what they would like to see in it.

"Do you currently purchase from Ropp Jersey Cheese Farm?"

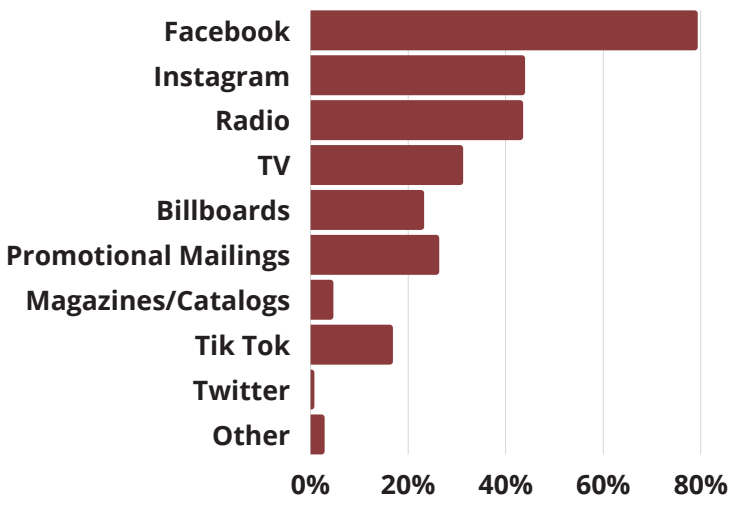


"If local, would you be interested in local pick up or a delivery service?"



Focus Group

"Where are you most likely to see or hear an advertisement?"



In addition to the online survey, we conducted twelve interviews with randomly selected Bloomington-Normal locals. In the online survey, many responders said that while they have heard of Ropp Jersey Cheese, they do not purchase their products. Our interviews were to help us get to the core of why people purchase local products and why they don't. Out of the six interviewees that do not purchase Ropp Jersey Cheese, we determined that many of them don't purchase their products because it is either not convenient or too far of a drive. With the introduction of the subscription boxes, we are able to ship or offer pick-up in a more convenient location to combat this issue.



Business Proposal

Mission Statement

"From cow to crate, we carefully craft the highest-quality dairy products for your plate!"

Key Planning Assumptions

1. There is a growing demand for subscription boxes as consumers want easy and convenient access to products. Validation: Secondary Research - subscription models are expected to grow from a \$650 billion market to a \$1.5 trillion market between 2020 and 2025
2. Business owner has identified a need to reach customers through an online sales platform. Validation: Primary Research - In personal interview, Ken Ropp shared the need to expand business with online sales.
3. Consumers are more interested in purchasing local products rather than name-brand products. Validation: Primary Research: 100% expressed they would rather buy local products than name brand as long as prices are reasonable.
4. Consumers are most likely to see advertisements through social media rather than televised advertisements. Validation: Primary Research - 79.3% of customers said they would see an advertisement on Facebook compared to 31.2% seeing on tv and

Short and Long Term Goals

Our **short-term goals** were developed after discussing with Ken Ropp (owner of Ropp Jersey Cheese) what he already has as business goals, as well as with the understanding that the online market is growing rapidly. A strong marketing strategy and brand expansion will need to be developed in years 1-3 to set Ropp Jersey Cheese subscription boxes on the right track and increase internet sales. Currently, Ropp gets approximately \$15,000 in online sales a year, making up only 3% of the company. Through our marketing strategies and networking, we will increase his total online sales.

Our **long-term goals** consist of online sales making up 25% of the business, expanding the business and having the resources to ship out of state, and having over 25% of local residents of Bloomington-Normal know of Ropp Jersey Cheese. This will be accomplished by pushing online marketing and creating a strong social media presence, then transitioning to a stronger in-person presence. A step to be taken for in-person events is having booths at farmers' markets, local events, and in stores where Ropp Jersey Cheese is already sold. Ropp already does some of these events occasionally, but making their presence more common at local events and markets, they will be able to connect with consumers and make the public more aware of Ropp Jersey Cheese's presence in the community.

GOALS	2023	2024	2025	Evaluated By
Internet Sales (includes subscription boxes and individual items)	Increase to \$30,750 6% of Total Sales	Increase to \$63,037 12% of Total Sales	Increase to \$80,766 15% of Total Sales	Website Sales Summary
Number of Boxes	410 Boxes	1050 Boxes	1346 Boxes	Website Sales Summary
Social Media Engagement	50%	75%	100%	Social Media Analytics

Target Market:

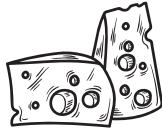
Primary target market:

- People between the age of 30-45, primarily women (mothers), living in the Bloomington-Normal area, household income of \$50,000 or more
- People who regularly use social media and can navigate online websites

Secondary target market

- All Illinois residents
- People between the age of 25-60
- People who are active in their community
- Shop locally
- Attend farmers' markets and local business events

Strategies and Action Plan



Product:

The Cheese Please! box will offer a unique spread of four different kinds of Ropp Cheese products that the owner will choose to feature. The cheese comes in 8oz servings ranging from blocks to curds to cheese dips all in different flavors. Each serving of cheese will be featured on a product sheet filled with details about the specific cheese's origin, taste, guide to the creation, and a recipe that incorporates the cheese perfectly. Within the product sheets, 10% off coupons (valid on in-store and online purchases) will be featured to increase traffic at both locations.

The monthly boxes will be packaged with sustainable and environmentally friendly packaging. During year one, we will be packaging the selected four products inside of a cardboard box with the Ropp Jersey Cheese logo. After year one, the option to ship the Cheese Please! box to your doorstep will be available. This package will be similar to original box but will contain an insulated box liner and ice packs to ensure that the cheese maintains the same freshness from the farm to your refrigerator.

Price:

According to the primary research results, potential consumers are most willing to pay between \$30-\$40 for a monthly subscription box. There were many factors included when setting a price for the subscription box. The cost of cheese production is \$13.20 a box, which includes labor and input costs. The cost of box materials is \$1.84 which includes the box and product information sheets. When shipping is added in year two of the plan, it will be a flat rate of \$10 which will cover the insulated box liners, freeze packs and shipping. In the box will be a total of 2 pounds of cheese (a variety of four 1/2 pound servings) and a product sheet (which will include recipe ideas, pairings, and cheese information). The total cost to produce a single box will be \$15.04. Retail value of two pounds of cheese is \$22.00. With the added experience consumers are getting with a subscription box and the cost of advertising, the team proposes a cost of \$30. This will allow an approximate 50% profit margin with room to adjust spending on marketing, if needed.

Place:

In the first year of launching Cheese Please! the primary goal is to reach local customers in the Bloomington-Normal area by providing free local pick-up for the product. By only allowing local pick-up, Ropp Jersey Cheese can focus on ensuring production is maintainable and reach local customers who have not purchased their products before. Pick-up will not only be available at the Ropp Jersey Cheese Farm but also at a more central location to Bloomington-Normal residents including retail partners. Local, in-person, promotions will take place to ensure the proper clients are being reached. With a successful first year of marketing and implementation, Ropp Jersey Cheese will be able to offer delivery services throughout Illinois. This will ensure a wide range of customers and allow for Ropp Jersey Cheese to grow their business.

Promotion:

Social media - We will be utilizing both Facebook and Instagram to promote our box with fun and engaging promotional visuals. Ropp Jersey Cheese already has a steady customer base on their Facebook but we will be adding an Instagram account. We plan to revitalize Ropp's Facebook through consistent, interactive posts sharing the farm and cheese production practices of the business. We plan to use Instagram to broaden our clients to Millennial and younger audiences. The content on each social media page will remain consistent.

Community engagement - While Ropp Jersey Cheese has established relationships throughout the McLean County area, we believe we could maximize our engagement through public events. We plan to station a booth at the Bloomington farmers market and visit local businesses that sell Ropp Cheese products. Consumers who attend these events regularly not only support a local business but also keep local dairy farms alive. At this event, we will provide a sampling of cheese products, ½ pound products available to purchase, an introduction to the subscription service, and additional information about the business. We also plan to hand out business coupons and offer an email sign-up for community members that want to learn more about products, services, and events that Ropp has to offer.

Budget

	Year 1 (2023)	Year 2 (2024)	Year 3 (2025)
Income			
Projected Number of Boxes/Cost	410 Boxes @ \$30	1050 Boxes @ \$30	1346 Boxes @ \$30
Shipping Income (\$10/box) (assuming 50% of boxes are shipped in 2024 and 2025)	\$0.00	\$5,253.00	\$6,730.00
Sales Income	\$12,300.00	\$31,500.00	\$40,380.00
PRODUCTION AND PACKAGING EXPENSES			
Stickers (\$0.55/sticker)	\$225.50	\$577.50	\$740.30
Shipping Ice (\$0.40/pack)	\$0.00	\$210.00	\$538.40
Packaging - Boxes (\$1.19/box)	\$487.90	\$1,249.50	\$1,601.74
Insulated Box Liners (\$1.27/liner)	\$0.00	\$771.75	\$989.31
Cheese Production (\$13.20/box)	\$5,412.00	\$13,860.00	\$17,767.20
Product Sheet (\$0.10/sheet)	\$41.00	\$105.00	\$134.60
Shipping and Delivery (\$8.00/box)	\$0.00	\$4,200.00	\$4,600.00
MARKETING AND ADVERTISING EXPENSES			
Social Media Development	\$1,500.00	\$1,500.00	\$1,500.00
Farmers Market Booth	\$315.00	\$315.00	\$315.00
Pop-Up Banner	\$150.00	\$0.00	\$0.00
Sample Give-Aways	\$500.00	\$500.00	\$500.00
PROFIT	\$3,668.60	\$13,464.25	\$18,423.45
ROI	42.50%	57.81%	64.22%

Evaluation

Goal	Evaluated By	If Goal is Exceeded	If Goal is Not Met
Internet Sales (includes subscription boxes and individual items)	Website Sales Summary	Add in package options for subscription service	Reallocate funds to website development, create incentives for online customers (i.e rewards system)
Number of Boxes Sold	Online Sales Summary	Expand partnerships to offer variety in boxes	Evaluate price points, consumer reviews, and cheese selection
Social Media Engagement	Social Media Analytics	Broaden target market by using paid advertisements	Evaluate social media analytics, reallocate advertising funds

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