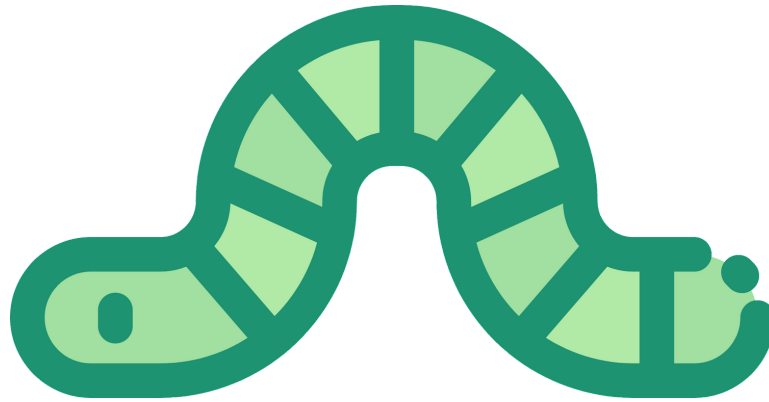


*Marketing Proposal for*

# North Canadian



Worm Tea Co.

Est. 2019

Edmond FFA Chapter OK0122 2022



**ORGANICA MARKETING**

Mark Seesholtz, Annie Simpson, Gianna Nichols

# Brief Description of Product

**North Canadian Worm Tea Company** is a fertilizer processing company, focused on utilizing the natural decomposition properties of worms to create a sustainable, natural, and organic fertilizer. It started out with an Edmond FFA member who saw a need for locally-sourced, organic fertilizers in her area. Today, **North Canadian Worm Tea Company** offers 2 products. They primarily sell their products on social media platforms to a localized customer based interested in organic gardening. It is currently operated out of the backyard of the owner's home. The company emphasizes product quality and worm health by utilizing the latest composting and decomposition technology, emphasizing nutrition and vertically integrating their company as a means to deliver the highest quality products on the regional market. They find and utilize localized, organic products for decomposition, handle the processing of the fertilizer, package the product, and handle the sales and marketing themselves. They have many regional and national competitors including Vermico Farms, Green Country Worms, and Jobe's Organics. They reached out to Organica Marketing Firm because they are wanting to turn this labor of love into a profitable business in five years, and have already invested in the infrastructure necessary to grow this into a full-time venture. They would like to grow their business through increasing marketing efforts, providing customers with more opportunities for points of sales, implementing new strategies and products for customer interaction and acquisition, and creating a new company logo.

## Market Analysis

### Client's Status in Current Market

**North Canadian Worm Tea Company** is located in Edmond, OK and is one of two local, organic fertilizer companies. Currently, it is operated out of the backyard of the owner's house, but she has recently purchased infrastructure and land to grow the operation. She supervises everything from processing to selling the fertilizer. They primarily sell on Facebook and Instagram, where they make posts about their product. They have utilized word of mouth marketing to grow their business to this point. Most of their customers are aware of the benefits of vermicomposting, and are looking for an organic product to increase their soil fertility and/or improve plant health. They sell a liquid fertilizer product in a quart bottle for \$5.00. It is a relatively seasonal product because the fertilizer is primarily used in gardens and flower beds. They also sell a top dress soil product for \$20.00 that comes in a 25 pound bag. In terms of profit, they have netted just over \$5,000 in the past two years. They are outperformed by their competitors (Vermico Farms, Green Country worms and Jobe's Organics) because of scale, social media engagement, and other products are being sold in retail stores and more effectively online.

### Trends

**ORGANIC FERTILIZER TRENDS:** The valuation of the global organic fertilizer industry is expected to increase to 19.88 billion per year by 2029.<sup>2</sup> This growth is partly driven by environmental awareness, accessibility, and increased production. Although it makes up a small share of the total fertilizer industry (7%), the organic fertilizer segment is expected to outgrow conventional fertilizers through 2024.<sup>3</sup>

**ORGANIC GARDENING TRENDS:** The organic food and products gardening industry has seen substantial growth in the last few years, partially an effect of the COVID-19 virus and nationwide shutdown, and also partially due to an increased interest in food sustainability. People who grow their own food are more likely to purchase organic fertilizers. Most gardeners in the region fertilize during the spring after planting, and rely on fertilizers to increase vegetation and growth.

**VERMICOMPOSTING TRENDS:** Vermicomposting is increasing in popularity among hobby gardeners of all ages and socioeconomic statuses, with a CAGR of 14.9% in the next 5 years. Currently, it makes up about 2% of all vermicomposting. The general population is still unaware of vermicomposting, but more are learning about it every day.<sup>6</sup>

**CUSTOMER PREFERENCE TRENDS:** Today, customers expect online points of sale for all businesses.<sup>4</sup> Millennials use organic products on a higher level.<sup>2</sup> Small businesses related to food systems are growing in popularity among millennial customers.<sup>1</sup> Customer priorities: genuine experiences, high quality products, convenience, ease of use and sustainability<sup>5</sup> 40% of consumers prefer organic products.

### Buyer Profile and Behavior



- Customers mostly use these products in their backyard gardens and planters, and want a product to increase sustainability in an organic, all natural way.
- Many buyers have had problems associated with soil and plant health in the past, and are looking for ways to improve plant and soil health.
- There is also moderate seasonal variability, since customers mainly use this product at the beginning to middle of the gardening season.

1. Blasbalg, M. (2021). 8 Small Business Trends to Know in 2022. Wix, <https://www.wix.com/blog/2020/07/trends/>

2. Eggar, C (2021). The global organic fertilizer market is expected to reach an estimated \$19 billion by 2026 with a CAGR of 13.7% from 2020 to 2026. Globe Newswire, <https://www.globenewswire.com/news-release/2021/08/30/228868/0/en/The-global-organic-fertilizer-market-is-expected-to-reach-an-estimated-15-8-billion/>

3. Fernandez, I. (2022). Market value of organic fertilizers worldwide from 2015 to 2026. Statista, <https://www.Statista.com/statistics/943242/global-market-value-organic-fertilizers/>

4. Hancock, B. & Shaniger B. (2021). Covid-19 Impact on Business in 2021 and Today. McKinsey Talks Talent, <https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/back-and-forth-covid-19s-impact-on-business-in-2021-and-today>

5. Mott, W. (2021). The Global Vermicompost Market 2021 - 2025. LinkedIn, <https://www.linkedin.com/pulse/global>

6. Wynder, E. (2021). Entrepreneur Feeds Home Growers Market with Organic Worm Castings. Grand Rapids Business Rental, <https://grbj.com/news/retail/entrepreneur-feeds-home-growers-market-with-organic-worm-castings/>

7. Primary research (Surveys and focus group)

## Buyer Profile and Behavior Continued

We project the majority of the customers interested in **North Canadian Worm Tea Company** are hobby gardeners who mostly use these products in their backyard gardens and planters, and want a product to increase sustainability in an organic, all natural way. Because of the personal relationship that is oftentimes developed working with a small company, there is high customer loyalty. Even though many customers are interested in their products for sustainability, there is still a desire to make the purchasing process, as well as the actual use of the product, as easy and seamless as possible. All purchasing is currently done through Facebook and Instagram. **North Canadian Worm Tea Company** customer market segments are small scale gardeners and organic gardeners. **Our market segment key buying roles and customer behaviors are:**

<b>Initiator</b> Customers see a need to improve plant/soil health	<b>Influencer</b> They prefer organic products and natural fertilizers	<b>Decider</b> They decide to buy vermicomposting fertilizers	<b>Buyer</b> Customers choose to purchase online or in store	<b>User</b> They use the fertilizer in their gardens	<b>Gatekeeper</b> Word of mouth has been an effective marketing strategy
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## Competition SWOT Analysis



**S:**

- Certified "MIO" Brand
- High local brand recognition
- Vertical integration allows their company to have complete control of product quality
- Convenient Edmond Broadway location
- Conflicting info on 2 different websites
- No online points of sale
- Only 2 soil products currently sold
- Bulk purchasing deters small scale gardeners
- Limited production space

**W:**

- Increasing and improving web presence will improve buying experience
- Increasing product variety will appeal to more customers
- Selling liquid products require less space & help reach more customers

**O:**

- Local population's uninformed about vermiculture
- Larger companies offer lower prices
- Appeals to sector of population that focuses on organic gardening
- Inflation is increasing processing costs



- Family owned/operated for 15 years
- Competitive prices in regional market
- Loyal customer base
- High quality product is guaranteed
- Strong regional presence
- Online points of sale

- Only 3 products
- Website isn't updated regularly
- Customers have to call to obtain product information and availability
- Outdated logo doesn't align with current market standards

- Increasing web presence & offering more products will reach more customers
- Retail stores will give customers more sale points
- Provide product info online

- Increasing competition
- Appeals to a small sector of population that focuses on organic gardening
- Supply chain issues could slow the shipment of product



- 200+ products
- Lower price points because of high production capacity
- In large retail chains nationwide
- Appeals to a wide variety of customers

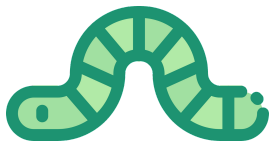
- Weak social media presence
- No online points of sale
- Less personal customer experience
- Less control over product development/quality

- Create an online point of sale for customers to purchase directly
- Teach customers on a national level about the benefits of organic fertilizers

- Supply chain issues could slow the shipment of product
- Competition is increasing
- Inflation is increasing costs

## Client's SWOT Analysis

**North Canadian**



**Worm Tea Co.**

Est. 2019

**S:**

- Vertical integration allows their company to have complete control of product quality
- High production capacity
- Loyal customer base
- Personal customer purchasing experience
- Good market penetration in Edmond area

**W:**

- Weak social media presence
- No retail/online points of sale
- Low product variability
- Current logo doesn't align with market standards
- Low product variability
- Must use direct messenger apps on social media to buy

**O:**

- Include more points of sale to include: retail and website
- Social media platforms will increase engagement and education
- Increasing product variability will improve profit & appeal to more customers

**T:**

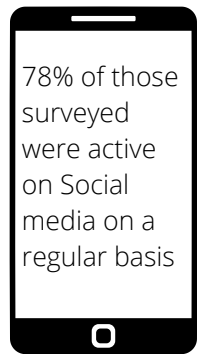
- Local market is unfamiliar with vermicomposting
- Competition offer lower price points & higher product variety
- Appeals to niche market gardeners
- Supply chain issues slow product shipping

## Primary Research Results

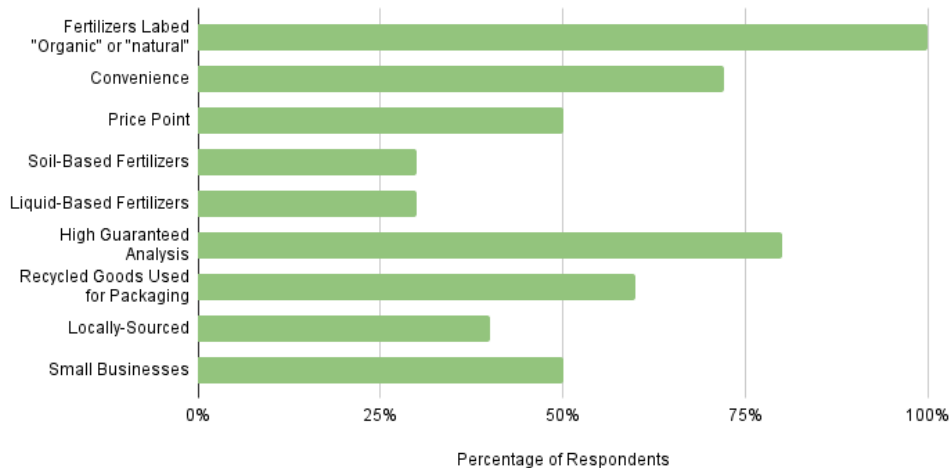
**Surveys:** Organica Marketing Firm collected 250 surveys to hobby gardeners with an interest in organic gardening in the Edmond area who were interested in gardening, none of which were current customers of **North Canadian Worm Tea Company**. The surveys were posted to social media websites and hand distributed at a local gardening center. These surveys helped Organica determine the following information: target market, customer preferences, and customer fertilizer and organic gardening preferences. The following results were obtained:

- Gardeners and land owners with an annual income of greater than \$50,000.00 had a greater interest and inclination towards organic and sustainable gardening, regardless of age and gender.
- 80% were willing to pay more for fertilizers that are natural, organic, transparent and easy to use.
- 64% of the survey group was unfamiliar with the benefits of vermicomposting
- None of the respondents were familiar with **NCWT Co.**

### Considerations and Preferences of Organic Gardeners When Purchasing Fertilizers



78% of those surveyed were active on Social media on a regular basis



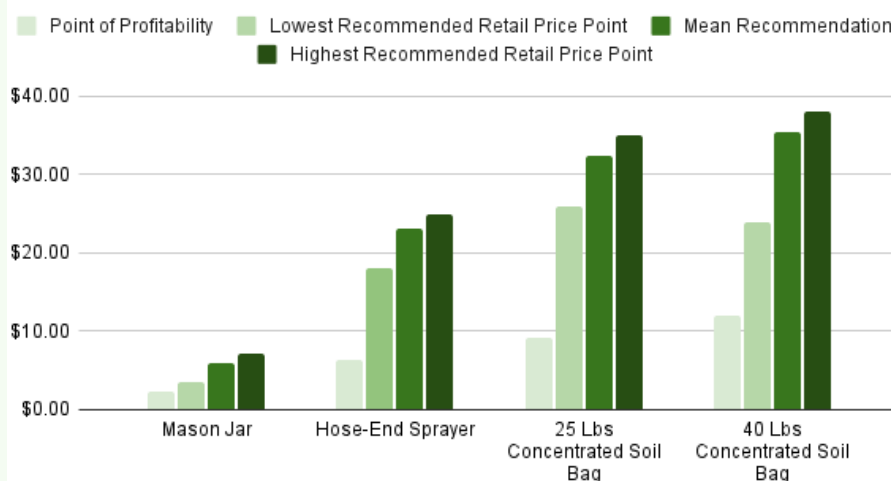
- 54% of those surveyed prefer making purchases online
- 92% of those surveyed are interested in trying new fertilizers that aligned with their preferences



**Focus Group:** After analyzing the survey results, we created a focus group of 11 people. All 11 were between the ages of 25-40. There were 5 males and 6 females. Everyone surveyed had an interest in organic gardening and had an annual income greater than \$50,000.00. 1 person in the survey group is a previous customer.

- Everyone in the focus group agreed that the logo and company branding should be simplified and should better inform customers on the benefits of vermicomposting.
- 73% of the focus group were willing to pay more per ounce of fertilizer for the hose-end product than the jar product and 75% of customers were interested in larger quantities of the soil concentrated top dress product.
- The following recommendations were given: have more points of sale, create a company website, improve company branding and logo, provide customers with a higher variety of products, and educate more customers on the benefits of vermicomposting.

### Pricing Recommendations According to Focus Groups



**Methodology:** We created the surveys utilizing a 5 point, Likert Rating Scale. Statements were provided, and those statements were ranked 1-5, with 1 being "least agreeance/like me" and 5 being "most agreeance/most like me." The focus group was handled like a forum with open ended questioning and comparing and contrasting exercises with different logo designs.

*\*\*Although not directly involved in the survey and focus group, we reached out to 3 Edmond-based gardening companies to gather their opinions on North Canadian Worm Tea Company and the organic gardening industry to help gather more information price points and marketing strategies\*\**

# Business Proposal

## Mission Statement

**North Canadian Worm Tea Company** is dedicated to improving plant and soil systems in our region by creating high quality, organic worm tea fertilizer products. We strive to give our customers an amazing fertilizer experience at an affordable price point.

## Key Planning Assumptions

According to focus group and survey results, hobby gardeners are generally interested in plant health, organic and wholesome ingredients as a means to grow plants and improve soil fertility.<sup>1</sup> People expect transparency of products used in plant systems.<sup>2</sup> Customers are looking to find easier ways to purchase products like at the local farmers market, garden stores or online, and are willing to pay more for a higher quality product.<sup>1</sup> Gardeners are generally interested in products that simplify gardening, including fertilizer application methods.<sup>1</sup> More potential customers are being reached online and through social media than ever before.<sup>3</sup> Altogether, growth is dependent on effective, wholesome, and easy-to-use products as well as finding ways to sell and distribute the products in an easy, time-effective manner.

## Short Term and Long Term Goals

### Short-Term Goals

- Make a company website with a point of sale by 11/15/2022
- Transition company and all products to new logo and branding by 12/01/2022
- Make weekly posts to TikTok, Facebook and Instagram showcasing the company and benefits of vermicomposting by 01/01/2023
- Post signage/advertisements in local nurseries and greenhouses by 06/01/2023
- Start an advertising campaign on Google, Bing, Facebook and Instagram to promote the website from 11/15/2022-06/01/2023
- Pay for advertisements in Oklahoma Today Magazine, Oklahoma Living Magazine, and Edmond Sun Newspaper by 02/01/2023
- Have over 3000 unique visitors on the website by 06/01/2023
- Have 1 partnership with an Edmond-based retail store by 06/01/2023
- Have the hose-end fertilizer sprayer product and 40 lbs concentrated soil bag available for purchase by 02/01/2023
- Have more than 2000 followers on TikTok, Facebook, and Instagram by 09/01/2023

### Long-Term goals

- Have a website visitor return rate of 40% by 01/01/2025
- Create content for social media platforms on a weekly basis until 03/01/2025
- Continue to pay for advertisements in Oklahoma Today Magazine, Oklahoma Living Magazine, and Edmond Sun Newspaper on an annual basis through 01/01/2027
- Have online sales account for 50% of sales by 01/01/2027
- Have 5 partnerships with retail stores in the Oklahoma City metropolitan area by 01/01/2027
- Have 3 long-term partnerships with retail stores in the Tulsa Metropolitan area by 01/01/2027
- Expand target market to include all of Oklahoma by 03/01/2027

Year	Sprayers sold	Jars sold	Bags Sold	Retail Partners
2023	600/year	1000/year	200/year	1
2025	3000/year	3000/year	800/year	5
2027	5000/year	4500/year	1000/year	8

## Target Market

### Primary Target Market:

- Hobby gardeners, with an income greater than \$50,000 annually, in the Oklahoma City Metropolitan area. This includes men and women, ages 25-40.
- Gardeners with interest in using organic or sustainable products to produce plants.
- Anyone purchasing fertilizers for plant systems on a small scale.

### Secondary Target Market:

- People of all ages, genders, and socioeconomic levels with a garden, flower bed, greenhouse or house plants.
- Males and females from ages 18-75 with an interest in organic or sustainable food systems.
- People over the age of 18 who use social media, or subscribe to regional Oklahoma Magazines
- People in the Oklahoma City Metropolitan area with an interest in plant systems.
- Anyone with the following searches in their browser history: fertilizers, organics, plants, gardens, flower bed, vegetable production

### Validations:

1. Results from primary research, including focus group and surveys
2. Mott, W. (2021). The Global Vermicompost Market 2021 - 2025. LinkedIn, <https://www.linkedin.com/pulse/global>
3. Blasbalg, M. (2021). 8 Small Business Trends to Know in 2022. Wix, <https://www.wix.com/blog/2020/07/trends/>



# Strategies and Action Plan

## Product

**North Canadian Worm Tea Co.** currently offers 2 products, and we recommend adding two other products: a hose-end sprayer and a 40 lbs concentrated top dress soil bag. NCWT Co. products improve soil health by utilizing the natural decomposition properties of worms to create a sustainable, natural, and organic fertilizer. Their product is created using only the most natural composting materials available and is regularly sourced from leafy green vegetables directly from a local hospital. Currently, they sell a quart sized mason jar and a 25 pound concentrated soil top dress bag. The quart sized Mason jar is a liquid fertilizer with a guaranteed analysis of 1-1-1, and the concentrated soil top dress bag is fertilized mixed in with composted soil with a guaranteed analysis of 1-1-1. We recommend adding two new products: a 40 pound concentrated soil top dress bag with a guaranteed analysis of 1-1-1 and a hose-end sprayer product with a higher guaranteed analysis. This recommendation comes after reviewing the survey and focus group information, where customers want an easy-to-use product and to be able to purchase products in bigger quantities. All new products available will be packaged utilizing the new logo, including the guaranteed analysis, words like: natural, organic, and bioavailable nutrients, and directions for use.



## Price

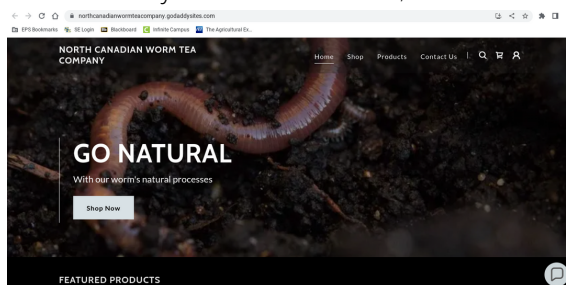
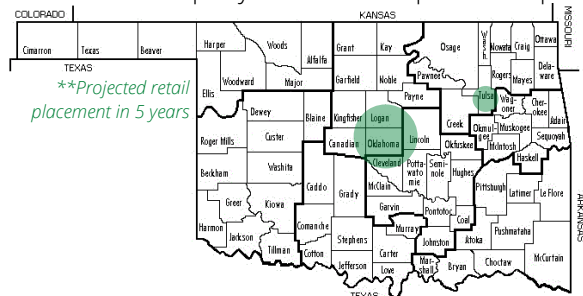
Research results suggest that a majority of customers in the target market are willing to pay more for natural, organic and transparent fertilizer products, especially if the product is of high convenience. Because of this, Organica Marketing Firm recommends increasing their current pricing structure for existing products. The focus group results aligned well with the pricing recommendations for wholesale and retail, and 3 retail stores in the area agreed that our wholesale/retail pricing ratios were appropriate for the industry.

Product	Cost to Produce	Original Price	Pricing Recommendations	Returns to NCWT
Quart Mason jar	\$2.25	\$5.00	Wholesale: \$4.00 Retail: \$5.99	Wholesale: \$1.75 (78%) Retail: \$3.74 (166%)
25 Lbs Concentrated Top Dress Soil Bag	\$9.12	\$20.00	Wholesale: \$19.00 Retail: \$29.99	Wholesale: \$9.88 (108%) Retail: \$20.87 (228%)
40 Lbs Concentrated Top Dress Soil Bag	\$12.00	N/A	Wholesale: \$24.00 Retail: \$34.99	Wholesale: \$12.00 (100%) Retail: \$22.99 (192%)
Hose-End Sprayer	\$6.32	N/A	Wholesale: \$12.00 Retail: \$19.99	Wholesale: \$5.68 (90%) Retail: \$13.67 (216%)

*\*\*Cost to produce prices are not inclusive to fixed/ varied operating costs like rent, utilities and salaries\*\**

## Place

**North Canadian Worm Tea Company** is currently primarily sold over the messenger services on Facebook and Instagram. Organica Marketing Firm recommends focusing on selling their products through their website and in retail centers. The website will provide customers with information about products that are in stock, and give two options: shipping products to their door for an added cost and pick up from the facilities. We recommend harnessing social media as an avenue to promote the products, the website and the retail partnerships. At this time, we believe there are 3 retail gardening stores in Edmond that North Canadian Worm Tea Company could form a partnership with in the next year: Under the Sun, TLC Garden Center, and Designs by Tammy.



## Promotion

### Social Media Promotion (Facebook, Twitter, TikTok, Instagram SnapChat)

- Create a focused campaign that increases page views from potential customers in the target market.
- Focus on: search history, age, interests and other factors that define our target market when creating analytical profiles.
- Create a Twitter, TikTok and SnapChat, which will increase customer engagement through weekly posts, informational videos and promotional contests and drawings.
- Continue to utilize Instagram and Facebook, but revamp their pages to better reflect current marketing efforts, including: changing profile picture to new logo and making weekly posts.
- Social media promotion should focus on two goals: informing potential customers about the benefits of vermicomposting through videos and infographics, and promoting products and services.



### Search Engine Promotion (Google)

- Using Google Analytics, make advertisements for the website and social media appealing to target market
- The following keywords should be used to help drive advertisement placement: fertilizers, organics, plants, gardens, flower bed, vegetable production, and local gardening companies.
- The Oklahoma City and Tulsa Metropolitan areas should be used to help drive advertisement placement.
- The following Google user profile characteristics should be utilized: ages 18-65, annual household income over \$50,000.00, living in Oklahoma City or Tulsa metropolitan areas.

### Other Promotion (Farmers markets, logo design, posters, print media advertisements)

- **North Canadian Worm Tea Company** should continue to make a conscious effort to attend local farmers markets and fairs to continue company promotion and product education and meet potential customers.
- We recommend utilizing the new logo we designed because it aligns with customer expectations of organic and all natural fertilizers, and more clearly states the products itself.
- We recommend utilizing the poster by placing them in all retail stores that your product is in.
- We will take out advertisement space in the following magazines and newspapers: *Edmond Sun*, *Oklahoma Living*, and *Oklahoma Today*



## Position

**North Canadian Worm Tea Company** has an established loyal customer base, even though the business is still young. Their loyal customer base will help fund initial marketing efforts. **NCWT Co.** is uniquely positioned in the regional market because they provide a high quality organic fertilizer in a variety of convenient products and sizes compared to their competition. The number of unique products they will sell provide them with more customer acquisition opportunities. By selling online, and in retail stores, they will be able to reach a larger customer base.

## Budget

	2023	2025	2027
<b>Pro Forma Income Statement</b>			
Wholesale Sales	\$7,750.00	\$35,600.00	\$66,200.00
Retail/Website Sales	\$12,240.00	\$46,968.50	\$72,954.50
<b>Gross Income</b>	<b>\$19,990.00</b>	<b>\$82,568.50</b>	<b>\$139,154.50</b>
<b>General Expenses</b>			
Manufacturing	\$8,154.00	\$34,158.00	\$58,621.00
Investment in Current Items	\$1,000.00	\$1,500.00	\$2,000.00
Investment in Noncurrent Items	\$1,500.00	\$2,000.00	\$2,500.00
Marketing Fees	\$2,000.00	\$3,000.00	\$4,000.00
Other Expenses/Incidentals	\$1,000.00	\$4,150.00	\$7,000.00
<b>Total General Expenses</b>	<b>\$13,654.00</b>	<b>\$44,808.00</b>	<b>\$74,121.00</b>

<b>New Marketing Efforts</b>			
Website (GoDaddy.com)	\$250.00	\$275.00	\$300.00
Written Media (posters, etc.)	\$200.00	\$200.00	\$200.00
Google Advertisements	\$500.00	\$500.00	\$500.00
Social Media Advertisements	\$1,200.00	\$1,400.00	\$1,600.00
Advertisements in Magazines	\$1,000.00	\$1,000.00	\$1,000.00
<b>Total Expenses to New Efforts</b>	<b>\$3,150.00</b>	<b>\$3,375.00</b>	<b>\$3,600.00</b>
<b>Expected Income to Owner</b>	<b>\$2,000</b>	<b>\$32,000.00</b>	<b>\$55,000.00</b>
<b>Total Expenses</b>	<b>\$17,804.00</b>	<b>\$79,183.00</b>	<b>\$131,721</b>
<b>Net Profit</b>	<b>\$2,186.00</b>	<b>\$3,385.50</b>	<b>\$7,433.50</b>
<b>Return on Investment</b>	<b>-44.10%</b>	<b>1.00%</b>	<b>51.56%</b>

## Evaluation

### Benchmarks

#### *Benchmarks Directly Related to Marketing*

- Create a company website with a point of sale for customers by November, 2022.
- Post signage and advertisements in local nurseries/ greenhouses by June, 2023.
- Create content for social media on a weekly basis until March, 2025.
- Expand the target market to all of Oklahoma by March, 2027.

#### *Benchmarks Directly Related to Sales*

- Have a hose-end fertilizer sprayer product and 40 lbs concentrated top dress soil bag available for purchase by February 2023.
- Have 5 partnerships with retail stores in the Oklahoma City metropolitan area by January, 2025.
- Have 3 partnerships with retail stores in the Tulsa metropolitan by January, 2027.
- Have the website account for 50% of sales by January, 2027.

### Tools Used to Measure Benchmarks

#### *Tools to Measure Marketing Benchmarks*

- We will utilize social media analytics applications as well as meet with North Canadian Worm Tea Company monthly to ensure marketing goals are being met.
- We will utilize Google Ad Analytics and GoDaddy.com to ensure all other marketing goals are met.

#### *Tools to Measure Sales Benchmarks*

- North Canadian Worm Tea Company will utilize Quickbooks to track all sales and financial records. These financial records will be evaluated on a regular basis to ensure sales and financial goals are being met.
- They will utilize PayPal, and GoDaddy.com ecommerce profile for website's point of sale.
- We will meet with each retail partner on a quarterly basis to ensure all goals related to retail sales are being met.

### Tools Used to Measure Benchmarks

- If marketing goals for your company are not being met, we recommend reviewing budgetary information as it relates to those goals and increasing the marketing effort monetarily. We also recommend adjusting keywords and online target market characteristics to better advertise to new visitors to the website.
- If sales goals are not being met, we recommend reevaluating price points and demand for the products not reaching their sales goals. If we determine that the pricing doesn't meet customer preferences, we recommend adjusting prices. If demand is too low, we recommend reevaluating the product line.
- We recommend visiting with a focus group and regularly taking surveys on a regular basis to establish new customer preferences.