



# NAMA Student Marketing Competition 2023 Sam Houston State University - Texas

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Dylan Bradford, Elliot White, Madelynn Brown, Taylor Watz & Ashlynn Roop



# Introduction

In the United States alone, over 139 billion pounds of food is wasted each year. This equates to 130 billion meals, and over \$403 billion thrown into the garbage can.<sup>1</sup> Of this massive amount of waste, 39% of it is wasted in our own households.<sup>1</sup> Many of us have been asking how we can reduce these numbers, and with such a big task at hand, is there anything that can be done? That is where Growly steps in. Growly was founded in Houston Texas in 2020 with one simple task in mind; Decrease America's Food Waste one family at a time. Our state-of-the-art indoor hydroponic facility has already become the go to location for fresh, organic produce for thousands of local families. And we are just getting started. With our new product, the GO GRO Kit, we can bring the joy of sustainable, organic farming directly to the everyday consumer's doorstep. Enabling them to not only enjoy fresh home-grown microgreens, but also decrease their families carbon footprint.

## Market Analysis

The Growly GO GRO Kit is just what our consumers are looking for to expand their horizons and take control of what they put in their bodies. Even those who believe they lack the ability to properly grow what they need have a desire to start a garden of their own. Our product will offer them an easier solution to live a healthier and waste-free lifestyle. Our team can provide just what consumers are looking for, our GRO GO kits can encourage those looking to get started and provide for consumers who have already begun their gardening journey.

### Trends

- The Covid Pandemic created 18.3 million new gardeners.<sup>2</sup>
- Global online sales of gardening goods doubled during the Covid pandemic.<sup>2</sup>
- Children involved in growing vegetables are more willing to eat them.<sup>2</sup>

### Size & Potential

According to current research, provided by the National Gardening Association (NGA), over the past 3 years there has been an increase of at home gardeners. More specifically, we have seen an increase of 18.3 million new gardeners who are taking charge of growing their own foods. Due to recent inflation of food prices, consumers are looking for more cost friendly ways of providing for their families. Due to this increase, we have seen global online sales of gardening goods double during this period and continue to increase today. Consumers have increased gardening retail sales by 9% while online sales have increased by 100% in the USA alone.<sup>2</sup>

### Other Key Factors

One of the key factors playing into the increase of sales and home gardens is the fact that consumers are seeing improvements in not only their physical health but mental health as well. The act of gardening has improved mental health by 49% and even contributes to positive family time. Research has also indicated that not only do adults consume more fruits and vegetables when gardening them, but that it encourages children as well.<sup>2</sup>

## Primary Research

Growly conducted survey research with over 100 participants in the Houston area. They were asked a series of questions which included multiple choice questions and satisfaction questions ranging from 1 to 5.

The results of our survey showed that 55% of our participants are interested in owning an at-home garden, despite the fact they do not consider themselves green thumbs.



We also found that 75% of our respondents admitted that they would grow their own produce at home if it was more convenient and took up less space than conventional gardening.

## Customer Segment

Growly Microgreens identifies its target audience as individuals who ultimately want to reduce their personal carbon footprint while still enjoying the big-city lifestyle. Our target customers do not have specific age ranges, as their personal goals can vary from wanting to start a healthier lifestyle, reducing stress levels, or making the world a healthier, better place in general.

### Primary Consumer

Billy Weatherford is a 48-year-old, stay-at-home father of three. His wife, Kim, is 45 and works full-time for an innovative technology company in downtown Houston. Billy and his family live in an apartment, where his first priority is taking care of his familie's needs. Since Billy is a stay-at-home dad, he has mastered the art of being an at-home chef, so when Billy is shopping for groceries, he tends to buy organic and pesticide free produce. Billy also recycles, which he teaches to his children. The Weatherford family is always looking for new small projects to take on in their home that match their daily lifestyle.



### Secondary Consumer



Tammy Gustafon, a 29-year-old, has been attending farmers markets with her mom in Southeast Texas for as long as she can remember. Living in the Houston suburbs, Tammy utilizes as many resources as she can from the small backyard that she has. Being in such a large community, Tammy tends to shop at Whole Foods and similar stores such as Trader Joes and Kroger. Having a lot of knowledge from gossiping at the farmers market, Tammy wants to try and start her own compost bin at home to build healthier practices and have better quality soil for her gardening.

## Competitive Analysis

### What We Offer

- Hydroponically Sourced Microgreen seeds
- Eco-Friendly Flagship Medium
- 100% Compostable Packaging
- Quick Harvest Time

### Direct Competitors



### Indirect Competitor



Farmer Jones Farm at the Chefs Garden

# SWOT Analysis

## Strengths

- Space saving
- Grows fast
- Low cost
- Reduces carbon footprint

## Weaknesses

- Small output
- Needs natural sunlight
- Not everyone composts/recycles

## Opportunities

- More plant varieties
- Environmental & Agricultural awareness
- Ability to create larger GO GRO Kits

## Threats

- Other pre-existing competitors
- Customers may feel intimidated to try at home gardening
- Similar Products

# Business Proposition

The GO GRO Kit aims to satisfy the wants and needs of our consumers from a few different avenues. Decreasing personal household food waste, increasing knowledge of sustainable farming practices such as hydroponics, and providing an easy at-home solution to fresh produce.

The GO GRO Kit is a 100% compostable product that cannot be found at just any gardening store. Inside the package will be our state-of-the-art water retaining medium, and our hydroponically sourced seeds. Including instructions on how to start the growth process, and a QR code that brings you to our website! There you can find recipes using our microgreens and tips and tricks on how to begin decreasing your household carbon footprint.

Our GO GRO Kit could not be simpler; All you need to do is add 1 cup of water, replace the lid, put in sunlight, and leave it alone. The seeds should begin to sprout as soon as 24 hours, and if your microgreens begin to wilt during the growing process, just add half a cup of water to the tray and they'll be right back to business in no time.

Within 10 days you'll have healthy, ready to eat microgreens. After you've harvested the microgreens, you can just toss the remaining medium and roots into a pot with soil and it will continue to grow! And if you are into composting, you can take the remaining packaging (yes, all the packaging) and place it into your compost bin. Don't have a compost bin? Don't worry, the packaging is fully recyclable as well.



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### Phase 1:

Germinate with the plastic lid on

### Phase 2:

Remove lid after sprouts begin

### Phase 3:

Wait 10 days and harvest your microgreens!



# Strategy Statement

Through the creation of the GO GRO Kit, Growly has its sights set on a few different goals concerning specifically our customers' carbon footprint. We want to help consumers learn more about the impact that individual effort can have on the environment. We are not asking you to go 100% solar and start a full-fledged farm in your backyard. As this is where our idea of the GO GRO Kit came from, that something as small as an at home grow kit could create a much bigger ripple effect.

## Goals

- Decrease Our Consumers Household Food Waste By 5% during Year 1.
- Generate \$150,000 in Gross Sales by the end of Year 2.
- Partner With At Least 30 Local Restaurants by the end of Year 3.

## Key Planning Assumptions

- The idea of being “Environmentally Friendly” will continue to trend in consumers.
- Local Restaurants and Cafés will be open to partnering with us for their produce needs.
- The USDA NOP does not change their requirements for being organic.

## Return On Investment

Return-on-investment is not only about the monetary gain our consumers may receive from growing produce in their homes, but the personal utility gained from participating in environmentally conscious activities. By providing our consumers with the understanding of sustainable farming practices such as hydroponics, we hope to see a steady increase in at-home gardens, composting, and recycling. And the gradual decrease of per-capita food waste. But just because we have talked about utility, does not mean we do not believe in saving money. We found that the average US household wasted 31.9% of its food. That equates to about \$1,866 thrown away every year.<sup>1</sup> By using the GO GRO Kit, Growly estimates we could decrease the dollar amount by 5% per year. The GO GRO Kit not only enables peace of mind in your impact, but peace of mind with your wallet as well.

## Action Plan

### Positioning/Price

- For the eco conscious and the not-so-green-thumb, GO GRO will fit perfectly into the windowsill for the health-conscious lifestyle. GO GRO provides user friendly micro green kits in an affordable bundle.
- Variety Packs with 3 GO GRO Kits sells for \$14.99

### Place

- Growly is based in Houston Texas; in year 1 we will start locally selling our GO GRO kits in the Houston area. In year two we will open online sales and well as extending storefronts to major Texas cities, Dallas, Austin, and San Antonio. In the third year we will extend sales to the greater portion of Texas as well as the lower portion of Oklahoma.

### Promotion

- Paid Promotion
  - Farmers Market: Growly will rent a booth at local farmers markets raising brand awareness, selling GO GRO Kits, and educating local communities on our company and products.
  - Influencer Promotions: We will have influencers publicly endorse our product via social media, reaching new potential consumers.
  - Buy Local, Sell Local: GO GRO will partner with local farm to table restaurants to incorporate our farm grown microgreens on to the menu.
- Community Focused
  - Education Connection: Growly will donate GO GRO Kits to elementary and middle schools as well as a lesson plan promoting sustainable farming and hydroponics.
  - Farm Tours: Free tours of our hydroponic facilities where the GO GRO Kit seeds are from.
  - Social Media: Growly will utilize a brand specific hashtag to engage with online consumers with like mind interests.
  - Moss Graffiti: GO GRO will have local artists create moss graffiti murals utilizing our company's core values to create pieces capturing the attention of target audiences.
  - Monthly Newsletter- All consumers of our product will receive a monthly newsletter featuring growing tips and recipes.

## Finances

Criteria	Year 1	Year 2	Year 3
Sales	\$44,970.00	\$152,898.00	\$275,543.20
COGS	\$5,880.00	\$9,996.00	\$12,994.80
Gross Profit	\$39,090.00	\$142,902.00	\$262,548.40
Operating Expenses	\$19,545.00	\$57,160.80	\$78,764.52
Marketing Expenses	\$3,909.00	\$21,435.30	\$39,382.26
Net Profit	\$15,636.00	\$64,305.90	\$144,401.62
Margin	34.8%	42.1%	52.4%

In Year 1 Growly wanted to manage expectations and end the year with \$44,970 in sales. We first want to focus on making sure our product aligns with our values, and that the environmentally conscious consumer will buy our product not for themselves, but for their communities well being.

Year 2 Growly set their sights higher, and project to meet our goal of \$150,000 in sales. Due to our online shop opening in year two, we expect for sales to expand rapidly as we are able to reach a wider area.

Year 3 Growly expects our margin to begin to level, and we can use the previous years increase in profits to leverage partnering power with local restaurants and cafes.

## Monitoring & Measurement

measurement

if goal is less

if goal is more

stakeholder communication

Goal 1: Decrease Our Consumers Household Food Waste By 3% during Year 1.

Goal 2: Generate \$150,000 in Gross Sales by Year 2.

Goal 3: Partner With At Least 30 Local Restaurants by Year 3.

1. Consumer survey; analysis of consumer usage and disposal of food waste.
2. Monitor monthly and yearly sales reports; tracking the number of units sold.
3. Track satisfaction of product use through feedback analysis.

1. Reproduce marketing to highlight a major product function and its benefits.
2. Expansion of marketing efforts and collection of sales data to understand the scope.
3. Expand our outreach and collect restaurant feedback and testimonies.

1. Evaluation of product feedback and ease of use; what more can we do for our consumer.
2. Evaluate target market and pricing structure
3. Evaluate feedback and focus on consumer questions and complaints.

1. Growly will use survey's of consumer usage as a measure of our goal to reduce household food waste
2. With sales analytics, Growly will be able to expand our reaches outside of our target market.
3. Growly can use insights to increase the number of restaurant locations.

## Conclusion

As stated before, Growly started rallying behind the idea of decreasing food waste, and the GO GRO Kit will be the first step in the right direction. By enabling consumers to take control of their personal environment we can encourage communities to go beyond just recycling and buying organic. Let's create a ripple effect., one microgreen at a time.

## References

<sup>1</sup>Bandoim, L. (2020, January 27). The shocking amount of food U.S. households waste every year. Forbes. Retrieved March 30, 2023, from <https://www.forbes.com/sites/lanabandoim/2020/01/26/the-shocking-amount-of-food-us-households-waste-every-year/?sh=65e229d7dc8e>

<sup>2</sup>Mayers, K. (2023, March 23). Houseplant statistics in 2023 (incl.. Covid & Millennials). Garden Pals. Retrieved March 2, 2023, from <https://gardenpals.com/houseplant-statistics/>

## Photos & Graphics

<sup>3</sup>Grow Kit Stage Photos taken by Elliot White Photography

<sup>4</sup>Baywater farms: Hydroponic Farm, vegetable & produce supplier: Salisbury, MD. Baywater Trading. (2022, August 24). Retrieved March 30, 2023, from <https://www.baywaterfarms.com/>

<sup>5</sup>Farmer-tested microgreens kits and gardening tools. Skyhaven Harvest. (n.d.). Retrieved March 30, 2023, from <https://skyhavenharvest.com/>

<sup>6</sup>Farm-fresh vegetables shipped directly to you: Order Today! FARMER JONES FARM® AT THE CHEF'S GARDEN. (n.d.). Retrieved March 30, 2023, from <https://www.farmerjonesfarm.com/>

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