

Marketing Analysis -Where are we now?
Group 6
Mountain Harvest Organic Farm
(Marketing Plan for 2005-2007)

Background of the farm

Mountain Harvest Organics ([Appendix 1](#)) farm has been in production for over 150 years in a valley shadowed by beautiful Bluff Mountain over which the Appalachian Trail passes. The farm has 13 acres of tillable land with 5 acres currently in production, to grow a broad assortment of fruits, vegetables, flowers and herbs. Using the Certified Organic and permaculture techniques this farm practices create a habitat for wildlife as well as for visitors interested in sustainable farming.

A. Your Industry Trends

In the Western North Carolina mountains, Community Supported Agriculture (CSA) is a growing industry as a result of marketing efforts from regional groups such as Appalachian Sustainable Agriculture Program (ASAP), NC Cooperative Extension, HandMade in America, Mountain-Micro Enterprise, Advantage West Economic Development organization, and NC Department of Agriculture marketing division. Another significant trend in agriculture is the growth in demand for fresh heirloom varieties of vegetables and herbs. Many new residents of the area are strong proponents of the “local food” movement, which creates strong demand for traditional full flavor vegetables and herbs of high quality. Eating locally grown foods supports both the health and viability of farming in the community as well as the health of people in the community. (To learn more about buying locally grown food see [Appendix 2](#).) The growth of this industry is predicted to rise with the increasing baby-boomer population relocation into the region.

B. Your Customer Profile and behavior.

The typical customer in Mountain Harvest Organics target market is a “part time resident of the community looking for organically home grown produce during spring, summer and early fall” says, Carl Mansfield. Our customers are usually affluent and highly educated and they are willing to pay premium prices for locally grown produce that supports the local farmer(s) directly. Our customers seek to make connections with the farm and we take time to connect them to the value of our food and the soils it is grown in. Based on research done in 2002 by the N.C. Specialty

Crops Program based in Haywood County where Mountain Harvest Organics sells its produce 81% of consumer's surveyed felt buying locally grown produce was important. 71% of consumers wanted to buy heirloom tomatoes not commonly found in the supermarkets. 55.9% of the consumers surveyed were between the ages of 51-70 years old. The results are explained in more detail in [Appendix 3](#).

C. Your Competitors strengths and weaknesses

Firm(s) → Grocery Stores (ie Greenlife, EarthFare, FreshMarket and French Board Food Coop)

Strengths:

- These are open 7 days a week approximately 14-16 hours a day.
- They have a large network of suppliers who have access to global supply of market goods.
- These firms hire specialized personnel for marketing, advertisements, accounting, etc.
- Strategic location of facilities (next to affluent neighborhoods).

Weaknesses:

- These firms do not offer personal contact with the growers.
- These firms can not deliver the freshest produce like small growers can offer.

Other Farmers Markets in the region

Strengths:

- Location

Weaknesses:

- Other farmers markets do not have customers willing to pay premium prices.

Other booths at the farmers market

Strengths:

- Different varieties of vegetables.
- Different combination of deals.
- Personal relationship with some customers

Weaknesses:

- Beautiful artist signs to draw in customers
- Artist labels on produce
- Constant improvement
- Loyal customers
-

Products → Vegetables, Flowers

Strengths:

- Offer greater variety of produce (fruits and vegetables from around the world).
- Offer produce year round.

- These markets will offer locally grown products during the growing season.

Weaknesses:

- These firms can not handle heirloom varieties because of the limited self-life.

D. Our Strengths and weaknesses

Mountain Harvest Organics serves the tailgate market and also serve 45 families in a CSA

Strengths:

- Offer the freshest quality product to our costumers
- Provide a unique shopping experience not available at large grocery stores
- Personal touch from the field to the delivery at Tailgate Markets and drop points for the Community Support Agriculture (CSA)
- Provide unique produce that can not be stored or handled at the large chain markets
- Interns share energy and enthusiasm at point of sale
- Weekly interaction and observation of costumer purchasing trends

Weakness:

- Cannot be at more then one tailgate market at a time
- Limited time and resources to market
- Cannot provide year round products and as a result costumers get out of the routine for purchasing local produce

E. Primary Marketing Research Results

Primary Market Research conducted by group 6 on Mountain Harvest Organics takes a qualitative approach thru the use of phone surveys to the potential customer group. The survey was based on research conducted by the Agriculture agents in the region to determine what flower varieties could grow in our mountain climate under green house and field conditions. (Research survey attached in [Appendix 4](#)) Using the research we created a survey instrument to determine demand of locally grown cut flowers in Mountain Harvest Organics existing target markets.

The survey instrument contained nine questions intended to determine the interest of florists in purchasing locally grown flowers. The sample group of local florist who fit the profile for Mountain Harvest Organics customer base was polled using a phone survey during the month of June. The methodology used to collect data first included a regional search of local florist. The next step was to randomly select a floral business from the original search of target customers. The surveyors had a success of 20% in obtaining detailed survey answers from the target group.

The results from the phone surveys concluded an 80% demand for local cut flowers in the region. The flowers varieties most greatly desired in order of popularity include: Sunflowers, Zinnia Dahlia, Gladiolas, Delphinium, Shasta Daisy, Roses, Coreopsis, Austumaria, Tulips, Black eye Susan, Peony, Snapdragon and yarrow. The most popular

time of year florist demand flowers is from February through May. The surveyors found that in general demand for local flowers remains consistently high except during January for large floral businesses. Small floral shops reported high volume sales February through May. Florist indicated that Sunflowers, Gladiolus, Peonies, Larkspur and Zinnias are currently the most popular flowers in demand that can be grown locally. Our next question asked was “What three varieties of flowers do you use most” and answers varied so greatly with florists that this question had no statistical trends. Demand for local cut flowers was dependent upon on the size of the local business, as would be expected. We surveyed a range of floral business with experience levels ranging from one to twenty-one years in business. To understand the potential growth of this industry in our region we asked each florist where their business would be in five years. The potential growth of demand for cut-flower is expected to follow a gradual upward trend. The final question surveyed found that 80% of consumers would not pay more for organically grown flowers at this time.

Additional comments noted during phone surveys were business and marketing plans were crucial to survival in the cut-flower industry. Florist also noted that they would prefer to have cut-flowers delivered fresh from the farm.

F. Secondary Marketing Research Results

Our secondary marketing research used the Claritas PRIZM NE- Segmentation Analysis to understand the household and neighborhood demographic groups Mountain Harvest Organics target markets now and in the future. The group choose to use Claritas PRIZM NE because their research was compiled from the US 2000 census report data and the methodology used to collect the data is considered to be best in its class. The purpose of Mountain Harvest Organics secondary marketing research is to define and understand the market groups and the different segments within the main groups.

The targets are outlined below with subgroup market descriptions in detail.

I. Group S2-The Affluentials -The six segments in The Affluentials are one socioeconomic rung down from the Elite Suburbs—with a 25 percent drop in median income—but their residents still enjoy comfortable, suburban lifestyles. The median income in S2 is nearly \$60,000, the median home value is about \$200,000, and the mostly couples in this social group tend to have college degrees and white-collar jobs. Asian Americans make up an important minority in these predominantly white segments. As consumers, The Affluentials are big fans of health foods, computer equipment, consumer electronics and the full range of big-box retailers.

- **New Empty Nests** - With their grown-up children recently out of the house, New Empty Nests is composed of upscale older Americans who pursue active—and activist—lifestyles. Nearly three-quarters of residents are over 65 years old, but

they show no interest in a rest-home retirement. This is the top-ranked segment for all-inclusive travel packages; the favorite destination is Italy.

- **Pools & Patios** - Formed during the postwar Baby Boom, Pools & Patios has evolved from a segment of young suburban families to one for mature, empty-nesting couples. In these stable neighborhoods graced with backyard pools and patios—the highest proportion of homes were built in the 1960s—residents work as white-collar managers and professionals, and are now at the top of their careers.
- **Home Sweet Home** - Widely scattered across the nation's suburbs, the residents of Home Sweet Home tend to be upper-middle-class married couples living in mid-sized homes with few children. The adults in the segment, mostly between the ages of 25 and 54, have gone to college and hold professional and white-collar jobs. With their upscale incomes and small families, these folks have fashioned comfortable lifestyles, filling their homes with toys, TV sets and pets.

II. Group S3 Middleburbs- The five segments that comprise Middleburbs share a middle-class, suburban perspective, but there the similarity ends. Two groups are filled with very young residents, two are filled with seniors and one is middle-aged. In addition, S3 includes a mix of both, homeowners and renters as well as high school graduates and college alums. With good jobs and money in their jeans, the members of Middleburbs tend to have plenty of discretionary income to visit nightclubs and casual-dining restaurants, shop at midscale department stores, buy dance and easy listening CDs by the dozen and travel across the U.S. and Canada.

- **Gray Power** - The steady rise of older, healthier Americans over the past decade has produced one important by-product: middle-class, home-owning suburbanites who are aging in place rather than moving to retirement communities. Gray Power reflects this trend, a segment of older, midscale singles and couples who live in quiet comfort.

III. Group S4 Inner Suburbs- The four segments in the Inner Suburbs social group are concentrated in the inner-ring suburbs of major metros—areas where residents tend to be high school educated, unmarried and lower-middle class. There's diversity in this group, with segments that are racially mixed, divided evenly between homeowners and renters and filled with households that are either young or aging in place. However, the consumer behavior of the S4 segments are dominated by older Americans who enjoy social activities at veterans clubs and fraternal orders, TV news and talk shows, and shopping at discount department stores.

- **Old Glories** - Old Glories are the nation's downscale suburban retirees, Americans aging in place in older apartment complexes. These racially mixed households often contain widows and widowers living on fixed incomes, and they tend to lead home-centered lifestyles. They're among the nation's most ardent television fans, watching game shows, soaps, talk shows and newsmagazines at

high rates.

- **American Classics** - They may be older, lower-middle class and retired, but the residents of American Classics are still living the American Dream of home ownership. Few segments rank higher in their percentage of home owners, and that fact alone reflects a more comfortable lifestyle for these predominantly white singles and couples with deep ties to their neighborhoods.

IV. Group S4 Inner Suburbs- Among second-tier cities, Second City Society stands at the top of the heap, a social group consisting of the wealthiest families who live outside the nation's metropolitan core. The three segments in this group are dominated with married couples with children, college degrees, large homes, and executive jobs. Ethnically, the residents are predominantly white with above-average rates of Asian Americans. In the marketplace, they spend big on digital and wireless technology, business and cultural media, casual-dining restaurants, upscale retailers, foreign travel and luxury cars.

- **Second City Elite** - There's money to be found in the nation's smaller cities, and you're most likely to find it in Second City Elite. The residents of these satellite cities tend to be prosperous executives who decorate their \$200,000 homes with multiple computers, large-screen TV sets and an impressive collection of wines. With more than half holding college degrees, Second City Elite residents enjoy cultural activities—from reading books to attending theater and dance productions.

V. Group C2 City Centers -The five segments in the C2 social group consist of a mix of Americans—old and young, homeowners and renters, families and singles—who've settled in the nation's satellite cities. What they share is a middle-class status, some college educations and a lifestyle heavy on leisure and recreation. The members of City Centers tend to be big fans of home-centered activities: computer surfing, video renting, TV viewing and playing games and musical instruments. Outside their homes, they go to movies, museums and bowling alleys at high rates.

- **Up-and-Comers** - Up-and-Comers is a stopover for young, midscale singles before they marry, have families and establish more deskbound lifestyles. Found in second-tier cities, these mobile, twenty somethings include a disproportionate number of recent college graduates who are into athletic activities, the latest technology and nightlife entertainment.
- **Middleburg Managers** - Middleburg Managers arose when empty-nesters settled in satellite communities which offered a lower cost of living and more relaxed pace. Today, segment residents tend to be middle-class and over 55 years old,

with solid managerial jobs and comfortable retirements. In their older homes, they enjoy reading, playing musical instruments, indoor gardening and refinishing furniture.

- **Sunset City Blues** - Scattered throughout the older neighborhoods of small cities, Sunset City Blues is a segment of lower-middle-class singles and couples who have retired or are getting close to it. These empty-nesters tend to own their homes but have modest educations and incomes. They maintain a low-key lifestyle filled with newspapers and television by day, and family-style restaurants at night.

VI. Group T1 Landed Gentry- Widely scattered throughout the nation, the five segments in the Landed Gentry social group consist of wealthy Americans who migrated to the smaller boomtowns beyond the nation's beltways. Many of the households contain Boomer families and couples with college degrees, professional jobs—they're twice as likely as average Americans to telecommute—and expansive homes. With their upscale incomes, they can afford to spend heavily on consumer electronics, wireless and computer technology, luxury cars, powerboats, books and magazines, children's toys and exercise equipment.

- **Country Squires** - The wealthiest residents in exurban America live in Country Squires, an oasis for affluent Baby Boomers who've fled the city for the charms of small-town living. In their bucolic communities noted for their recently built homes on sprawling properties, the families of executives live in six-figure comfort. Country Squires enjoy country club sports like golf, tennis and swimming as well as skiing, boating and biking.
- **Big Fish, Small Pond** - Older, upper-class, college-educated professionals, the members of Big Fish, Small Pond are often among the leading citizens of their small-town communities. These upscale, empty-nesting couples enjoy the trappings of success, belonging to country clubs, maintaining large investment portfolios and spending freely on computer technology.
- **God's Country** - When city dwellers and suburbanites began moving to the country in the 1970s, God's Country emerged as the most affluent of the nation's exurban lifestyles. Today, wealthier communities exist in the hinterlands, but God's Country remains a haven for upper-income couples in spacious homes. Typically college-educated Baby Boomers, these Americans try to maintain a balanced lifestyle between high-power jobs and laid-back leisure.

VII. Group T2 - Country Comfort-The five segments in Country Comfort are filled with predominantly white, middle-class homeowners. In their placid towns and scenic bedroom communities, these Americans tend to be married, between the ages of 25 and

54, with or without children. They enjoy comfortable upscale lifestyles, exhibiting high indices for barbecuing, bar-hopping and playing golf as well as home-based activities such as gardening, woodworking and crafts. Reflecting their rural, family environment, they prefer trucks, SUVs and minivans to cars.

- **Greenbelt Sports** - A segment of middle-class exurban couples, Greenbelt Sports is known for its active lifestyle. Most of these middle-aged residents are married, college-educated and own new homes; about a third have children. And few segments have higher rates for pursuing outdoor activities such as skiing, canoeing, backpacking, boating and mountain biking.
- **Traditional Times** - Traditional Times is the kind of lifestyle where small-town couples nearing retirement are beginning to enjoy their first empty-nest years. Typically in their fifties and sixties, these middle-class Americans pursue a kind of granola-and-grits lifestyle. On their coffee tables are magazines with titles ranging from Country Living and Country Home to Gourmet and Forbes. But they're big travelers, especially in recreational vehicles and campers.

VIII. Group T3 - Middle America-The six segments in Middle America are filled with middle-class homeowners living in small towns and remote exurbs. Typically found in scenic settings throughout the nation's heartland, Middle Americans tend to be white, high school educated, living as couples or larger families, and ranging in age from under 25 to over 65. Like many residents of remote communities, these conservative consumers tend to prefer traditional rural pursuits: fishing, hunting, making crafts, antique collecting, watching television and meeting at civic and veterans clubs for recreation and companionship. Friday nights are for celebrating high school sports.

- **Simple Pleasures** - With more than two-thirds of its residents over 65 years old, Simple Pleasures is mostly a retirement lifestyle: a neighborhood of lower-middle-class singles and couples living in modestly priced homes. Many are high school-educated seniors who held blue-collar jobs before their retirement. And a disproportionate number served in the military; no segment has more members of veterans clubs.

IX. Group T4 - Rustic Living-The six segments in Rustic America represent the nation's most isolated towns and rural villages. As a group, T4 residents have relatively modest incomes, low educational levels, aging homes and blue-collar occupations. Many of the residents, a mix of young singles and seniors, are unmarried, and they've watched scores of their neighbors migrate to the city. In their remote communities, these consumers spend their leisure time in such traditional small-town activities as fishing and hunting, attending social activities at the local church and veterans club, enjoying country music and car racing.

CBO Homework Assignment #2

Group 6

- **Old Milltown's** - America's once-thriving mining and manufacturing towns have aged—as have the residents in Old Milltown's communities. Today, the majority of residents are retired singles and couples, living on downscale incomes in pre-1960 homes and apartments. For leisure, they enjoy gardening, sewing, socializing at veterans clubs or eating out at casual restaurants.
- **Back Country Folks** - Strewn among remote farm communities across the nation, Back Country Folks are a long way away from economic paradise. The residents tend to be poor, over 55 years old and living in older, modest-sized homes and manufactured housing. Typically, life in this segment is a throwback to an earlier era when farming dominated the American landscape.

Source:

Claritas Segmentation Systems, [PRIZM](#)[®] NE – *The New Evolution in Segmentation*
([Appendix 5](#))