

Marketing Plan

GreenHome Ant and Roach Killer

For the period of December, 2009-December, 2010

Completed December, 2009

OWNED BY:

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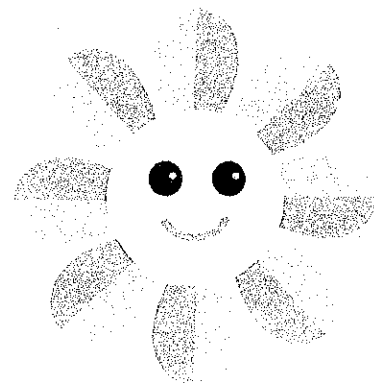
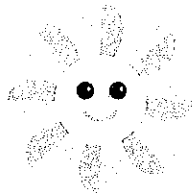


Table of Contents

I.	Executive Summary	1
II.	Overview of Market Strategy	2
III.	Market Research	3
IV.	Target Market Determination	11
V.	Marketing Objectives	14
VI.	Perceptual Map	18
VII.	Market Strategy	23
VIII.	Product Planning	30
IX.	Branding	33
X.	Packaging	36
XI.	Distribution	39
XII.	Pricing	43
XIII.	Promotion	47
XIV.	Advertising	50
XV.	Performance Evaluation	57

Thank you for taking the time to read our marketing plan. Enjoy!



Executive Summary

GreenHome Products Inc. is a company that produces ant and roach insecticides that are made of organic products and are environmentally safe.

Our customers will be anyone who has an ant or roach problem in their home or garden. Our product is not harmful to children and pets, so it may be used in neighbourhood parks, in school playgrounds and in both pet and child daycare centres. During our first year of business, our product will be produced in and distributed throughout British Columbia. Our goal for Year 2 is to expand into Alberta and Saskatchewan and in Years 3,4 and 5 distribute throughout the rest of Canada.

While there are many companies currently producing ant and roach killer pesticides, only *GreenHome* promises to have a totally green product from the way it is manufactured to the packaging we use. Our product will contain only organic oils and soaps and strict maintenance and cleaning procedures will be maintained in our manufacturing plants and wholesalers to ensure that there are no harmful and toxic chemicals near our product.

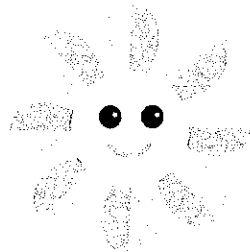
The management of *GreenHome* Products Inc. consists of Max Smith and Penelope Rogers. Max has extensive knowledge of the pesticide industry and has a Masters degree in Agriculture. He was instrumental in the testing of our product and will continue to be involved in the development of new innovations. Penelope has a Business Degree from the University of British Columbia and worked for the 20 years as the Business Manager of a respected company. Both partners will take a hands-on approach in the company. We have also assembled a team of very talented

professionals that bring a wealth of expertise to our company. They include Tom Wise, Accounts Director (former Director at the Royal Bank), Brian Marks, Communications Director (former Telecommunications supervisor at Rogers Cable) and Michelle Cook, Legal Advisor (former partner of Cook, Brown & Company).

Based on the size of our defined market area, our sales projections for the first year are \$4,160,796. The salary for each owner is \$60,000.

We are requesting a loan of \$400,000 to finance our first year of business. The owners have each invest \$50,000 to meet working capital requirements.

Through our market research, consumers have shown a great interest and desire for a product like ours. We will be introducing consumers to our innovative product through advertising and promotions on television, newspapers and trade magazines. Our promise to the consumer will be to ensure that their family will continue to be safe and happy after using *GreenHome* Ant and Roach Killer.



Overview of Marketing Strategy

This marketing plan introduces the brand new product GreenHome Ant and Roach Killer. This marketing plan covers the first year of production from December, 2009- December 2010. GreenHome Ant and Roach Killer will be distributed throughout Canada.

Our product has undergone a full year of intensive testing and market research. GreenHome will kill ants and roaches without harming the environment and is safe to use around children and pets.

This marketing plan will include the following:

Market Research

- Competitor Profiles

Target Market Determination

- Segmentation
- Calculation of the size of market

Marketing Objectives

- Distribution
- Communication
- Market Share (year-end)
- Year 1 Sales

Perceptual Map

- Satisfactions sought by target Market
- Placement of Competitors
- Market Leader Identified

Market Strategy

- Product Life Cycle Chart
- Buying Consortium Chart
- Marketing Mixes Chart
- Marketing Budget
- Synchronization
- Messages to both consumer and trade

Product Planning

- Actual Features
- Relation to Product Position

Branding

- Name
- Relation to Product Position
- Adherence to Mechanics

Distribution

- Channel Specifics with Justification
 - Wholesaler(s)
 - Retailer(s)

Pricing

- Detailed mechanics from Manufacturer to Consumer
- Retail Psychology

Promotion

- Purpose(s)
- Theme
- Mechanics

Advertising

- Purpose
- Media Selection (with Justification)
 - Media
 - Vehicles
- Schedules
- Mock-up

Performance Evaluation

- When/How/Contingency Plans

Market Research

Market Research

Market research is a very important first step in the production of any new product.

GreenHome used three main sources of market research. We used a **Primary** type of research which included conducting surveys and questionnaires by phone, on-line and in-store. Extensive experimentation and testing was also done to find just the right mix of ingredients. Trials were done in the experimental gardens at UBC and Simon Fraser Universities in Vancouver, BC to ensure that our product did what we said it would do. All trials were performed by professional gardeners and agricultural students.

Our research team did a market analysis of what the consumer wants and what most features are most important to them. Media research was also done to determine the best way to communicate our product to the customer. (i.e. television, magazines)

In this section of the marketing plan, we will determine who our main competitors are and determine what features they have. The price ranges of the products and the message that is sent to consumers is included.

It was necessary to research the pesticide market to provide us with relevant information that we require to make the best product on the market. What makes a great ant and roach insect killer? What does the consumer expect and want from a product? These are all questions that need to be answered before the product is produced.

Competitor Profile

Raid

How it works: Raid comes in an aerosol can with an attached spray nozzle. To use, point the sprayer at the insect and press down.

Features:

- Available in many different varieties
- Available in aerosol/foam and spray containers
- Available in maximum strengths
- Is chemical and toxic
- Container is made of aluminum and non-recyclable
- Available at all main home improvement and garden centres

Price:

\$8.99 (350 ml size)

Message: Raid considers their product to be extremely effective in killing bugs quickly. Their slogan is "Kills Bugs Dead"



Competitor Profile

Wilson's Green Earth

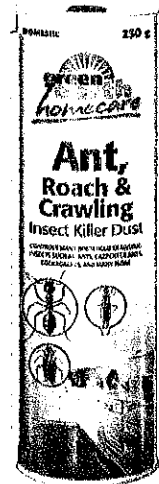
How it works: Sprinkle powder over the affected area.

Features:

- Available in an earth friendly variety
- Available in a shaker container
- Available in home garden centres

Price:

\$6.59 (250 ml)



Message: Wilson's message to the consumer is that their product kills bugs effectively and is available in earth friendly varieties.

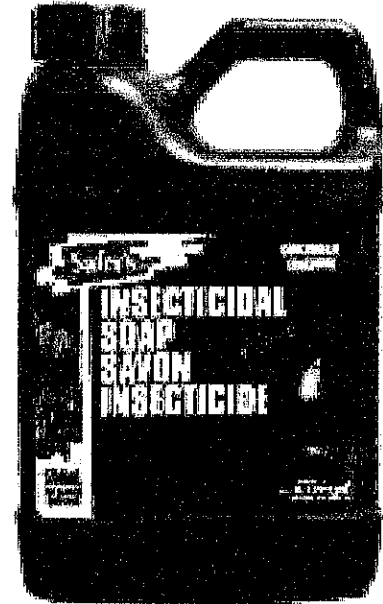
Competitor Profile

Safers

How it works: Pump spray bottle. Works by spraying the affected area.

Features:

- Insecticidal Soap – not toxic
- Safe for indoor and outdoor use
- Available in selected garden centres
- Refills are available



Price: \$8.97 (350 ml)

Message: Safer's message is that their insecticidal soap is safe to be used indoors and outdoors. It is made from natural ingredients that cause dehydration in the insects and eventual death.

Survey Questionnaire

Please choose the most appropriate answer.

- | | | | | |
|---|----------------|-------|----|-------|
| 1. Have you every used an insect killer product? | Yes | _____ | No | _____ |
| 2. If yes; which brand have you used the most? | Raid | _____ | | |
| | Wilson's | _____ | | |
| | Safers | _____ | | |
| | Other | _____ | | |
| 3. How often do you use an insect killer product? | Once a Week | _____ | | |
| | Bi-Weekly | _____ | | |
| | Monthly | _____ | | |
| | Never | _____ | | |
| 4. What price did you pay? | Under \$5.00 | _____ | | |
| | \$5-\$10.00 | _____ | | |
| | Over \$10.00 | _____ | | |
| 5. Where did you purchase the product? | Grocery Store | _____ | | |
| | Hardware Store | _____ | | |
| | Garden shop | _____ | | |
| | Other | _____ | | |
| 6. Why did you choose this particular brand? | Easy to Use | _____ | | |
| | Cost effective | _____ | | |
| | Advertisement | _____ | | |
| | Other | _____ | | |

7. Would you use this brand again? Yes _____ No _____
8. If you answered No to #7, why not?
- Too expensive _____
- Not effective _____
- Difficult to use _____
- Toxic _____
- Other _____
9. Would you prefer to use an organic Insect Killer Yes _____ No _____
10. What type of advertising influences your decision in choosing a product?
- Television _____
- Newspaper _____
- Magazines _____
- Radio _____
- Other _____
11. What age category are you in?
- 18-21 _____
- 21-25 _____
- 25-35 _____
- 35-50 _____
- Over 51 _____
12. Do you have pets? Yes _____ No _____
13. Do you have children under the age of 12 in your home Yes _____ No _____
14. What is your gender?
- Female _____
- Male _____
- Prefer not to say _____

15. What is your marital status?

Single _____

Divorced _____

Widowed _____

Other _____

16. Are you retired?

Yes _____ No _____

Thank you. We appreciate your time and co-operation.

Survey Results:

This survey was conducted in person at Home Depot Centres, Walmart, Canadian Tire stores and Art Knapp Garden Centres in 10 cities throughout British Columbia. Over 100 consumers were surveyed. The people surveyed were from 18 years and older, male and female and all different occupations. The survey was also conducted over the phone and available on-line through our

The majority of the people surveyed (80%) were interested in using a organic product. This was especially true for all the customers with young children and pets. Sixty percent of the people surveyed were retired and were influenced by TV advertising and by reading Home and Garden magazines. They were also the only segment of the target margin that regularly listened to the radio.

Fifty percent of those surveyed bought their pesticide products at the local nursery, while the other 50% bought theirs from hardware stores such as Home Depot or Canadian Tire. Consumers were dissatisfied with their current brand because it was difficult to use and toxic.

Target Market Determination

Target Market Determination

Geographic: British Columbia was chosen as our target market for several reasons.

There are many diverse climates within the province. Within these climates, the type of insects, the intensity of the infestation and the extreme heat and cold are very different.

The amount of ants during the winter months in Banff would be quite different than in Victoria during a mild yet wet fall day. Consumers that live in more rustic areas may not be as concerned with the elimination of ants as would someone living in an expensive condo in the West End of Vancouver. Determining where the target market lives within the city is also important. An ant infestation in a large apartment building would be a greater issue than someone living in a trailer park.

According to Stats Canada, in April, 2009, the population of British Columbia was 4,435,344¹. Out of that number of residents, there were 1,778,118 households. That is a huge number of households within a relatively small geographic area, which means advertising and promotions costs will be much lower.

Demographic: The demographics of our target market are quite diverse. We are targeting three main types of people.

Our first type is the retiree who enjoys gardening and has the money and the time to work long hours in their gardens. They are proud of their houses and their yards and want to eliminate any insects before they become a major problem. They are health conscience and prefer to use a safe but effective insect killer.

¹ www.statscan.gc.ca/province/population2009/

Type number 2 is the weekend gardener. The mother (or father) of the household who spends part of each weekend, weather permitting, out in the garden growing vegetables and tending flower beds. They want a product that is safe to use around the family pet and their young children. It must be easy to use and would like to be able to recycle the container when it is empty. The family is middle class with a moderate income, so the price of the product is a consideration.

Type 3 of the target margin is the small business owner. They need to be sure that their place of business is pest free, but cannot afford to bring an exterminator in every time there is a sign of ants or roaches. The product must be organic and safe for the public areas, such as kitchens and restaurants.

Psychographic: The target market likes to spend time with family and other activities. They don't want to spend time worrying about ants and roaches. They have an interest in using products that are safe for the environment and want to lead by example to their children. The world attitudes are changing towards composting and recycling and would like to know that they are doing what they can.

Behaviouralistic: Most of our ant killer would be bought during the spring/summer and fall months. Roaches may be more abundant in the winter months, especially in the more derelict areas of the city. However, the people living in these areas may not have sufficient income to spend much on insect killer. People like to stick to a particular brand, so it is our job to show the target market that *GreenHome* is the best product available. They will be loyal to a product that does what it advertises.

Marketing Objectives

Marketing Objectives

Distribution

During our first year of business, *GreenHome* Ant and Roach Killer will be distributed throughout British Columbia. Our long term goal is to eventually distribute our product throughout the rest of Canada. We will be using a **domestic channel** of distribution. The channel will be from the manufacturer to the wholesaler to the retailer and then to the consumer.

Our manufacturing plant is located in Vancouver, British Columbia. Vancouver is a large industrial centre that is centrally located and has easy access to railway, shipping and trucking facilities. Most of our product will be loaded onto freight trains and delivered to wholesalers in Kelowna, Prince George and Prince Rupert.

Products for Vancouver Island and the smaller Gulf Islands will be shipped by truck via BC Ferries to wholesalers in Victoria, Nanaimo and Campbell River. From the wholesalers, retail orders will be shipped by trucks. Retailers will also have the option to pick up their orders directly from the wholesale in order to reduce costs. As our product is available through our website, www.greenhome.com, both retailers and consumers can order directly from the manufacturer. This will be convenient for people living in remote or isolated areas throughout the province, where shipment by truck or train may be problematic. In these cases, our product will be mailed using Canada Post.

Communication

Throughout the first year of business *GreenHome* will be communicating our brand new product through various avenues. The plan is to advertise our product through newspaper ads, store flyers, display booths at garden shows, gardening centres and on the radio. We will also have a web page where the consumer can go to gain more information about *GreenHome* products. Through market research consumers indicated a desire for a healthy, easy to use and a high performance product. These are the features that will be prominent in our advertising campaign.

Market Share (Year-End)

The goal for the end of the first year of business is for *GreenHome* to become a leader in the ant and roach killer market throughout British Columbia. The long term goal (within the next five years) is to move across Canada. As Canada's provinces have diverse climates and pest control problems, *GreenHome's* plan is to put money into more market research and testing for other species of ants, roaches or any other prevalent insect that are a problem for specific regions outside of BC. Our goal is to have 18% of the market share by the end of the first year. As previously stated, according to Stats Canada, in April, 2009 there were 1,778,118 households in British Columbia. As our insect killer is safe to use inside and outside the home, we are basing our projections on each household being a potential consumer of our product regardless if they have a garden or not. According to market research surveys, using products in our homes that are environmentally safe was extremely important.

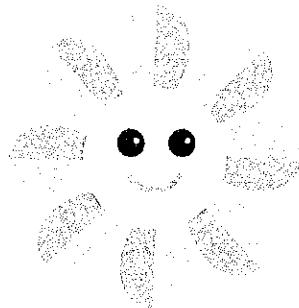
Year 1 Sales

100% Market Share

$$1,778,118 \times 1(\text{insect killer per household}) \times \$13 (\text{approx.}) \text{ per bottle} \\ = \$23,115.534$$

First Year of Sales with 18% Market Share

$$1,778,118 \times 1(\text{insect killer per household}) \times \$13 \text{ per bottle} \times 18\% \\ = \$4,160,796$$



Perceptual Map

Product Positioning

Satisfactions Sought by Target Market

After carefully analyzing the results of our survey, the following were the top features that were desired in an ant and roach killer product. Most of the interest was in the environmentally safe features.

- the product must work
- safe to use around pets and children
- organically produced
- containers must be recyclable
- dead insects must be compostable

The target market showed an interest in other features:

- easy to use
- reasonably priced
- readily available in retail stores and on-line
- easy to read instructions

We have designed our product to include most of the features that were selected by our surveyed customers. Although, our competitors also have some of these features, no other product guarantees results and is dedicated to protecting the environment as *GreenHome*.

Product Positioning

Market Leader

The current Market Leader in the area of home and garden pesticides is RAID. Raid has become a household name. When you want to eliminate ants, roaches or any other type of small insect, the public usually grab a can of RAID. Raid has a reputation of being an effective insect killer and has been used for years.

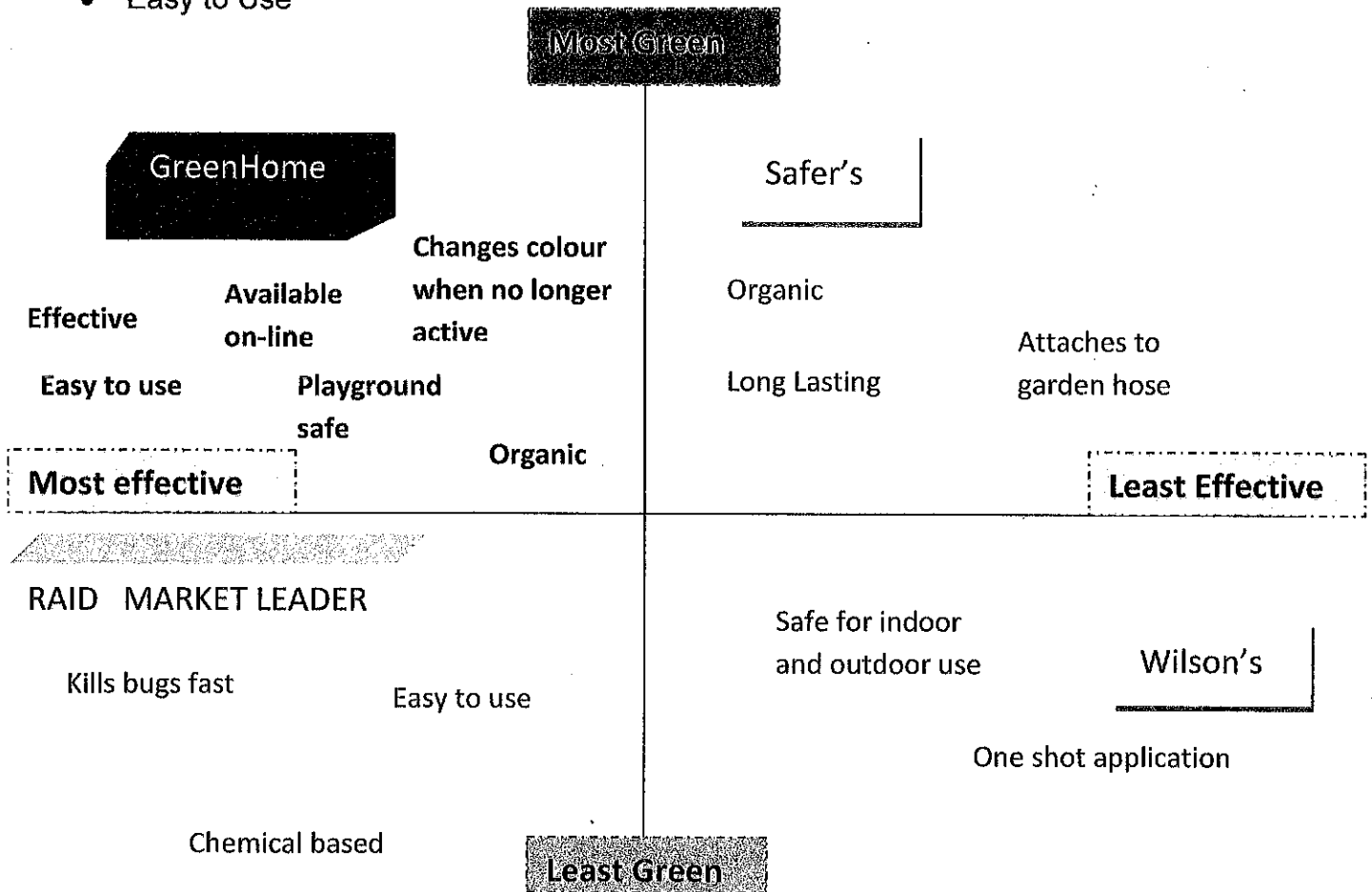
Unfortunately, RAID has been slow to change with the times. RAID has always been made with chemicals that are toxic and harmful to people and their pets and must be used with caution. They are just starting to branch out into making greener products, but have not had the same success as with the original RAID.

RAID has a very innovative advertising program. The commercials for RAID are cartoon-like and really drive home their slogan of "kills bugs dead". The commercials have been around a long time, so the children that first saw them are now adults with homes and families that may need to buy insect killers.

Although RAID is a good product, *GreenHome* is changing the way we eliminate insects. RAID may have been the product of the past but *GreenHome* is the product of the future.

Perceptual Map

- **Market Leader:** RAID
- Message is "Kills Bugs Dead"
- Chemical Based
- Easy to Use



GreenHome will target the consumer who wants an organic product that is child and pet friendly yet still effective and easy to use. *GreenHome* will produce totally a totally organic product made in an environmentally conscience manufacturing plant.

GreenHome has been placed in the most effective and most green section of the perceptual map. The market leader, RAID started out producing chemically based products. They are now branching out into green alternatives, but still produce sprays and aerosols which are harmful to the environment and are toxic for the user. The other main competitors have green products, but have not marketed their product as being more effective than RAID. All *GreenHome* containers will be re-usable and recyclable.

Product Positioning

Reasons for Entry

The results of our survey showed consumers desire an effective and green insect killer.

Although our competitors have some of the features, only *GreenHome* has them all.

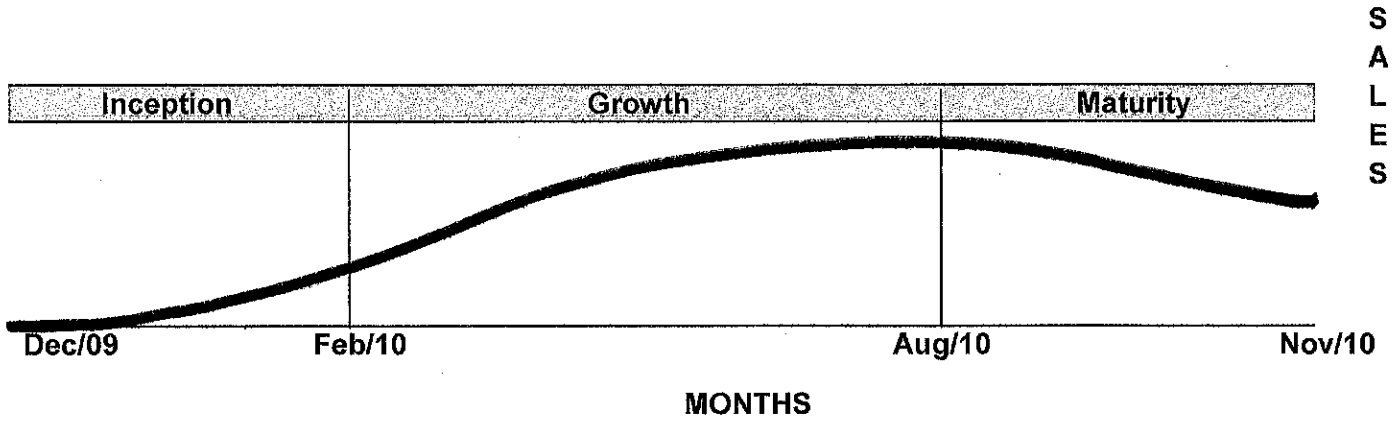
GreenHome has combined natural soaps and oils to make the greenest product on the market. The ants are killed by suffocating them rather than injecting them with environmentally harmful chemicals.

No matter how environmentally green a product is, if it doesn't work, the consumer won't buy it. Through extensive testing, *GreenHome* has proven to be fast and effective with only one application.

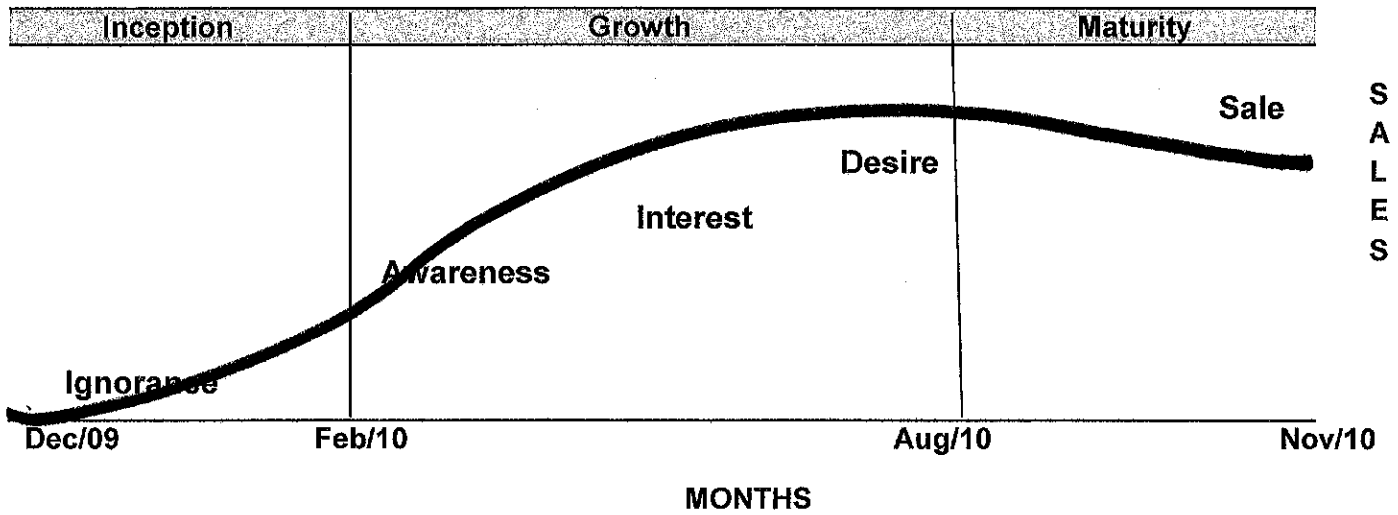
Environmental issues are a major concern with the whole world. Our Earth won't be around forever, if we don't look after it. *GreenHome* natural products will add to the beauty and health of your home.

Market Strategy

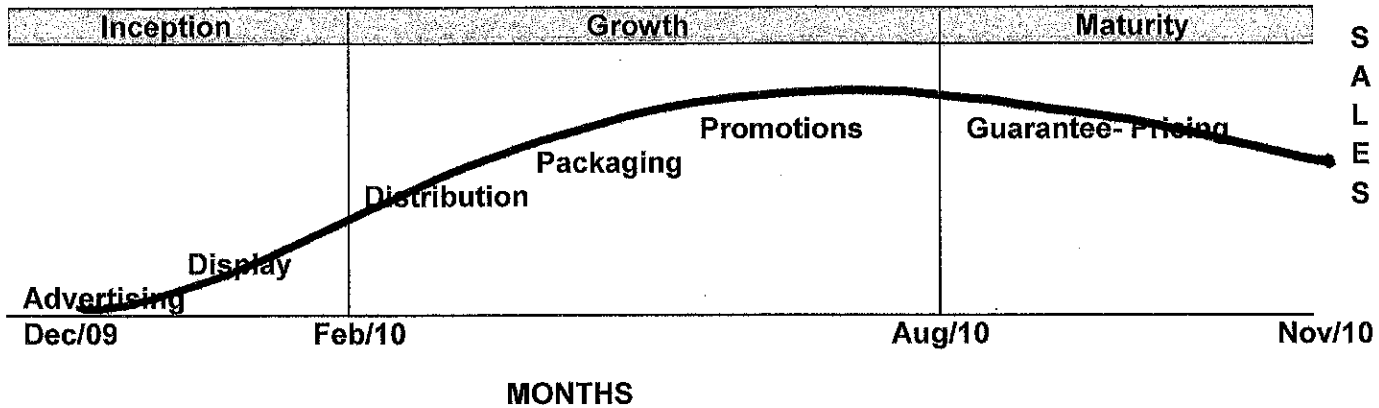
Product Life Cycle



Buying Continuum



Marketing Mix Chart-By Stage



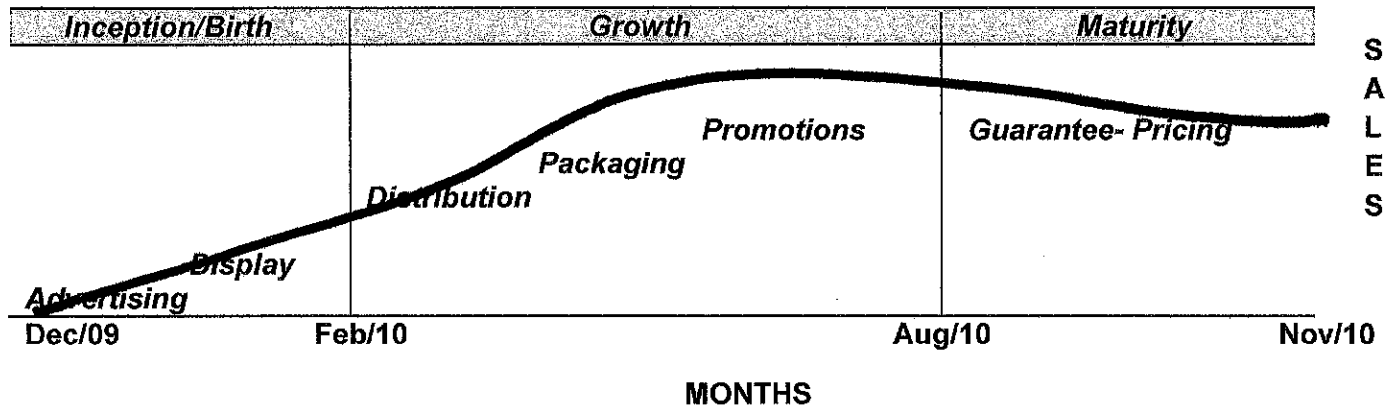
We have divided the first year into three stages:

From December, 2009 to February 2010, we are concentrating on introducing our product to the consumer through intensive advertising and store display.

From March 2010 to August 2010, promoting, packaging and distributing our product will be our priority. The consumer must be attracted to our packaging and it must be easily found in all of our retail outlets.

In the final four months of our first year of business, we are "fine-tuning" our pricing policies and guarantees. The original suggested pricing of our product may have to be changed to reflect the consumer response.

Marketing Mix Chart-By Purpose



Marketing Mix

1. During the Birth Stage, we are creating awareness for our product, so Advertising, Display and Promotion Marketing functions are extremely important. The consumer needs to be introduced to all aspects of GreenHome Ant and Roach Killer through **communication**. The more the consumer sees and hears about our product, the more chance they will move to the interest stage.
2. The second marketing mix includes Packaging and Distribution. As we have created an Awareness of our product, attractive and informative packaging is crucial. Availability and convenient shipping of our product will be an incentive to the consumer to buy our product. An added incentive will be introduced through monthly promotions.
3. In the Desire Stage, the pricing of our product must be just right in order to make the consumer choose our product over the competitors. Adding guarantees, such as giving a full refund, if the customer is not totally satisfied, will limit the amount of risk the consumer feels they are taking when buying a new product and will hopefully **trigger** a sale

Marketing Budget

Calculation of Total

The marketing team at GreenHome Products Inc. decided to allocate 15% of its projected first year sales revenue to marketing. Although there are many other start up costs that take up the majority of the budget, we felt it was important to allocated as much as possible into marketing to “kick start” our product onto the market. As previously stated, our projected sales revenue at the end of our first year is \$4,160,796. To calculate the actual amount of our marketing budget, we multiplied \$4,160,796 by 15% which equals \$624,119.40.

Our marketing budget will be distributed fairly evenly throughout the first year. However, where the money is spent will vary according to what marketing function we have chosen to use and the time frame in which we use it. We felt our first marketing mix of advertising and display, were crucial to introducing our product to the market. By focusing on these two marketing functions at the beginning of our product life cycle, we hope to spark an interest with consumers, retailers and wholesalers in our product. If wholesalers and their retailers are not convinced that are product was good and worth selling, then the consumer would not get a chance to buy it. If consumers, are not **aware** of what our product can do and how effective it is, then they would choose a competitor’s product that they are more familiar with. By using effective advertising campaigns and prominent store displays, the consumer will become very familiar with our name and how our product is an exciting green alternative to harmful pesticides. Most of our advertising and display allocated money will be to develop commercials, newspaper ads and colourful eye-catching displays. We will however, continue to use these venues throughout the first year, to make sure our consumer doesn’t forget about our product later on during the year.

As you can see in the following chart, GreenHome has distributed its marketing budget as effectively as possible. The majority of the money will be spent in the Growth Stage of the Buying Continuum

Messages

To Consumer

Dissatisfactions:

GreenHome Products Inc. believe that their Ant and Roach Killer product is the best on the market and exactly what the consumer is looking for. According to our market research, consumers showed great dissatisfaction in using toxic pesticides in their homes and around their gardens. Part of our target market were families with children who play in the garden and crawl on the floor, so of course they did not want to use a product that would be poisonous or harmful in any way. Our target market also included retired persons who have dogs or cats. Using toxic chemicals near their animals was something they wanted to avoid.

The other consumer dissatisfaction that was obvious through our market research was that using environmentally toxic chemicals was not the way of the future. Saving our environment for future generations has become very important to all consumers.

Buying Motives

The message that GreenHome wants to send to its customers is that GreenHome Ant and Roach Killer is the only insecticide that you will every need. Our product is the greenest and the easiest to use on the market, so that once you have tried it, you will no longer be tempted to go back to use Raid or any of our other competitors.

The price of our product is a little higher than the competition, but to produce a quality product that is organic, consumers have indicated that they are willing to spend more.

Consumers are used to paying a higher price for organically grown produce, clothes

made of organic materials or environmentally friendly cleaning products, so it is not unusual to pay more for organic pesticides. Consumers have asked for an organic product and that is exactly what they are getting with GreenHome.

Another strong buying motive for consumers is how easy our product is to use. There is no need for rubber gloves or need to follow strict guidelines for safe use. Our product will not stain furniture or carpets, so application is simple. Just spray and let dry. Once the spray has changed colour, it can be wiped away with a cloth. There is no harmful, unsightly mess left behind with GreenHome products.

To Trade

Wholesaler:

Our wholesalers are an important member of the GreenHome family. They provide the link between our manufacturers and our consumers. The message that we need to send to all of our wholesalers is that GreenHome is a great product that will give them a good profit margin and will sell quickly through retailers. We need to ensure that our wholesalers know how much work we have put into researching and producing our product and it is something that consumers have been asking for. They need to know that GreenHome is there to support them in every way they can. Our representatives are only a phone call away, so they must never feel that they are alone and have no one to turn to for advice or direction.

Retailer:

Retailers play an important role in our company's goals. Without them, our product will not sell. Our message to them is that they too will be able to make a good profit and with the right display and shelf placement, our product will sell quickly without having much time to sit there and collect dust. As with our wholesalers, retailers will have all the support they require from GreenHome. Our area representatives are available by phone or through our website. Our message to retailers is that we are there to assist them in any way we can and welcome any feedback, good or bad, so that if changes need to be made, we will make them. GreenHome Ant and Roach Killer is a great product and we want all of our retailers to have confidence and pride to have it in their stores.

Product Planning

Product Planning

Actual Features

By studying and analyzing our survey results, we designed our product to be the best on the market. Some of main features of GreenHome Ant and Roach Killer are:

- ✓ Made of organic ingredients
- ✓ Available in fresh scents
- ✓ Changes colour when no longer active
- ✓ Safe to use around playgrounds and gardens where children and pets play
- ✓ Containers are made of recycled materials
- ✓ Containers can be rinsed with water and then recycled
- ✓ Moderately priced
- ✓ Money back guarantee
- ✓ Available at Home Depot, Canadian Tire, Wal-Mart, and Art Knapp Nurseries
- ✓ Available on-line

Our product was made to be a **practical** choice for the consumer. Both the product and its container are totally organic and environmentally friendly. Although some of our competitors offered earth friendly products, the aerosol cans or containers that contained the product were not. Consumers were dissatisfied with this, so we have made our containers with recycled products and when empty can be rinsed with water and sent to the recycling depot.

Why choose GreenHome products? A very strong buying motive is that consumers have a developed a **social conscience**. They are concerned about their environment,

so using an organic product makes them feel they are helping the environment rather than polluting it.

Consumers were dissatisfied with other products that omitted odors and harsh fumes, so we added a pleasant scent to our product for **cosmetic** reasons. This assures the consumer that the product is safe and won't pollute the air that we breathe. One of the main buying motives is a **desire for comfort**. Not only does our product smell good but also changes colour when no longer "active".

Relationship to Product Positioning

The features of *GreenHome* products are directly related to our product position. We have produced a moderately priced organic and environmentally safe product that promises to work.

At *GreenHome*, we have been diligent in ensuring that our product is totally green. Our product is the greenest product on the market and the most effective. No other product guarantees these features like we do. Protecting the environment is very important to our company and we are marketing our product to people who feel the same way. Our money back guarantee is a promise that we make to the consumer to continue to produce a wonderful and innovative product.

We, at *GreenHome* will make sure our product is available throughout British Columbia at all the main Home and Garden Centres and Nurseries. Anyone outside of BC can purchase our product on-line and it will be shipped directly to them.

Branding

Branding

Name

After much deliberating and brainstorming, our marketing team chose the name *GreenHome* Insect Killer as the name of our brand new insect killer.

Relation to Position

In choosing a name for our product, it was most important that it reflects what our product is all about. Our product provides a safe and green alternative to killing insects within your home. When you think of the words green and home, they make you feel good. That is what we want our consumers to feel when they use our product.

Adherence to Mechanics

- Name is directly related to our product
- There is only one way to pronounce *GreenHome*
- Name is easy to pronounce
- Name is short, easy to read and spell
- Name is easy to recognize
- The name suggests a safe and green product for your home
- Name will be appropriate as our world changes and continues to move towards using environmentally safe products
- Name is a noun
- There are no offensive connotation with the name *GreenHome*

Favourable Conditions

1. Favourable store position: Retailers will be compensated for positioning GreenHome products in a prominent area of their store.
2. Brand name easily seen: The labeling on the bottle and on any promotional materials will be very visible and easy to read.
3. Consistent quality: There will be strict quality controls put in place in the manufacturing of all GreenHome products, so that the consumer will always be able to depend on the product's performance.

Packaging

Packaging

Cost Effective Facets:

The materials we use and the way we package our product is very important the *GreenHome* company: To reduce costs the containers will be made of totally recycled materials. Our pump spray bottles will be refillable also reducing costs. Packaging will be simple with as little extra wrapping material as possible. Unnecessary wrapping is costly and not environmentally responsible. Our manufacturing plant will be using the most cost effective methods in production by using efficient machinery and well trained staff.

Innovations:

GreenHome will be using the latest innovations in packaging our product. Each of our packages will display a UPC code. UPC codes are required on any product sold through a retailer. Our website address, www.greenhome.com will be prominently displayed on each package. The packaging will list all the features and ingredients in *GreenHome* Ant and Roach Killer. All of our bottles and packaging will be made of recycled materials. The refill bottle will also be made of recycled plastic and will have a handle for easy pouring.

Shipping and Handling

GreenHome Ant and Roach Killer will be shipped in cartons of 24 made of recycled cardboard. Products will be easily stackable and will be shaped to fit better easily into the carton and on the retailer's shelf. Each bottle will be shrink-wrapped for easy viewing and to prevent tampering of the product. Bottles will then be shipped in large quantities to wholesalers reducing high shipping and handling charges. Orders will be shipped by freight train to our wholesalers which will be located in cities throughout British Columbia. Orders will then be shipped by trucks to retail outlet. Retailers will have the option to pick up their orders directly from the wholesalers therefore reducing extra shipping costs.

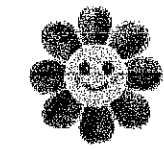
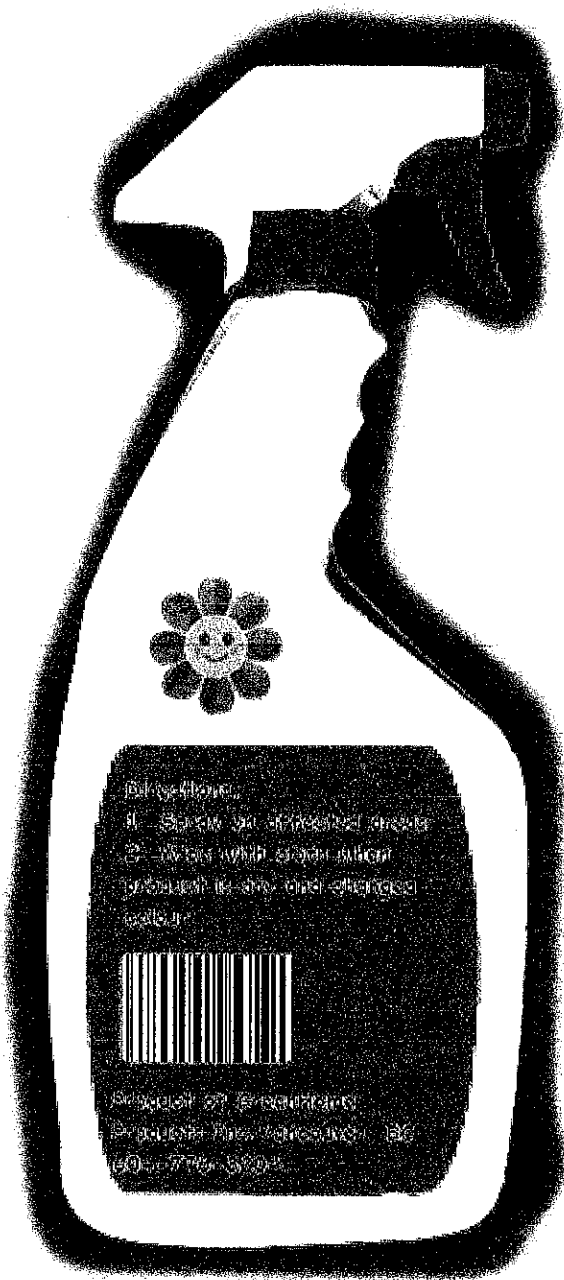


GreenHome Ant
and Roach Killer

A new environmentally
safe way to eliminate
ants and roaches from
your home and garden

Child and Pet Friendly

350 ml



Directions:
1. Spray on affected areas
2. Wipe with damp cloth
product is not for changed
color.



Product of Research
Products Inc. California, CA
50-776-5702

Distribution

Distribution

GreenHome Ant and Roach Killer will be distributed through a Domestic Channel of Distribution. The channel of distribution that will be used is from the Manufacturer to the Wholesaler to the Retailer and then to the Consumer. The trade category that we will distribute our product is Home and Garden Pesticides. Most large retail stores have a separate department that caters specifically to the needs of the home gardener.

Our product will be shipped from the manufacturing plant in Vancouver, BC directly to the wholesalers located in Kelowna, Prince George and Prince Rupert.

Wholesaler

GreenHome Products will be using merchant wholesalers. Merchant wholesalers take both physical and legal ownership of the product after buying directly from the plant in Vancouver. After placing an order, shipment will be made by freight train from the manufacturing plant directly to the wholesaler the next business day. Payment will be expected from the wholesaler within 30 days of delivery. This is a great benefit for the manufacturer as it will minimize any potential billing problems. The product will also be stored at the wholesaler, which frees up space at the manufacturing plant.

Our merchant wholesalers will be providing full service to its retailers. We have chosen "General Line" wholesalers so that if *GreenHome* chooses to expand their selection of products in the future, we will be able to use the same wholesalers. General line wholesalers supply a variety of products with just a few brands in a specific category. We carefully chose our wholesalers, so that once our product left our manufacturing plant, the wholesaler would be capable of taking on the responsibilities of shipping and

payment from its retailers. How these tasks are done would be a choice the wholesaler would make. They may choose to make regular deliveries to their retailers and be responsible for keeping the shelves full and arranging the displays. The delivery person would then leave a bill with the retailers with the expectation of payment within 30 days. This is called Rack Jobber.

Depending on the location of the retailer and the wholesaler, retailers may choose to pick up their own stock from the wholesaler and pay at that time. This is called "Cash and Carry". This is only cost effective for the retailer if they are located close to the wholesaler. Retailers would have to pay the costs of employee wages and transportation to use this option.

Retailers

It is important to find the just the right retailers for our insect killer. The types of retailers that would sell our product include General stores like Wal-Mart or Superstore, and Specialty stores (i.e. Art Knapp Nurseries). The locations of the retail stores must be easily accessible and centrally located. Stores that are open with extended hours on weekends, holidays and evenings would be the most convenient for our customers. The price of our product must be kept in line with our competitors. If the retailers price our product too high, the consumer may choose another product because it is cheaper and if the price is too low, the retailer's profit would be too low. Other types of retailers would include Internet (via our webpage) and telephone.

Retailers will be able to place orders with the wholesaler, who will then ship the order the next business day. This is very convenient for the retailer as they won't have to

store large quantities. Orders can also be placed by phone or on-line, when they feel they may run low of stock. Retailers may require a more of a full service from their wholesaler, requesting regularly deliveries to check on supply avoiding "stock out". If customers find the display shelves empty, they will choose another brand.

Retailers must be committed to promoting our green and environmentally safe product. Employees of our retailers must be knowledgeable about our product, so that they can provide advice and instruction to customers. By knowing all the features of our product, employees will be able to provide the necessary information to the customer, so that an intelligent choice can be made.

Pricing

Pricing

Detailed Mechanics

Prices Determined by:

Real Cost:	\$4.00
Expenses	\$1.50
Profit:	\$2.00
Markdown:	<u>\$0.50</u>
Selling Price:	\$8.00

Real Unit Cost

# of Units	Invoice Cost	Quantity Discount	Transportation	Insurance	MUSP
4800	\$10.00	\$10/Dozen	\$300	\$80	20 %

4800 x 8 =	\$38,400
4800/12 = 400 x \$10 =	-\$4,000
Transportation =	\$300
Insurance =	<u>\$80</u>
Total Cost =	\$34,780
\$34,780 / 4800 =	\$7.25 per unit (Real Unit Cost)
7.25 x 100 %/80% =	\$9.06

Wholesaler to Retailer

Real Unit Cost

# of Units	Invoice Cost	Quantity Discount	Transportation	Insurance	MUSP
120	\$7.25	\$10/dozen	\$50	\$1.50	20%

$$120 \times 7.25 = \$870.00$$

$$120 / 12 = 10 \times \$10.00 = \$100.00$$

$$\text{Transportation: } = \$1.50$$

$$\text{Insurance: } = \underline{\$1.25}$$

$$\text{Total Cost: } = \mathbf{\$772.75}$$

$$\$772.75 / 120 = \mathbf{\$6.40 \text{ Unit price}}$$

$$6.40 \times 100\% / 80\% = \mathbf{\$8.00 \text{ Selling Price}}$$

Selling Price to Consumer: \$12.99

Retail Psychology

The suggested retail price to the customer of our product is \$12.99. This amount was decided on for the following psychological pricing reasons.

We have made the digits a '9". This suggests to the customer that they are buying our brand at a bargain price. If the price had been for example \$12.95 the last digit would intimate that this was the normal selling price and consumers may want to wait until it comes on sale or chose another similar product that is at a better price.

Insect killer is not an item that comes with pride in ownership. There is no 'prestige' value associated with it. It is one of those products that you buy when you have a problem.

There is no need to have an 'odd-ball' price as there are not many environmentally safe insect killer brands on the market. If our product was low on the marketing ladder, then it may have been necessary in order to make our product more noticeable to come out unusual pricing.

Promotion

Promotion

Purpose

As part of our advertising campaign, GreenHome will be offering promotions to our potential customers. The purpose of these promotions is to provide one-on-one information to the consumer and to offer a special gift to them in appreciation for buying our product. By including a free gift with our product, we hope to have an edge over our competitors.

Theme

The theme for our promotion is sunny gardens. Gardens have a very peaceful and back to nature feeling about them. After using our product, the consumer will have the time to relax in their garden on a nice sunny day without worrying about ants or roaches.


Logo



Our logo will be a smiling happy face surrounded with pink petals denoting a happy and content flower. The logo will give the consumer a warm and positive feeling when they see it. It is easily recognizable and will be featured on all our products present and future. We want our customer to look for our logo on our products so that they know they are buying the best ant and roach killer on the market. The logo will be brightly coloured in pink and yellow so it is easily seen and recognized by the customer.

Premium

We will be offering a pair of gardening gloves on every purchase of Green Home Ant and Roach Killer. The gloves will be available behind the counter, so the consumer will receive the gloves when payment is received. The gloves will be available in medium and large sizes to accommodate both male and female consumers. As we are promoting our product for use in both the home and the garden, a pair of gardening gloves will be useful to every potential customer. The consumer would normally have to buy gloves for gardening, so by offering a pair free, it will encourage our target margin to choose our product over the competitors.

Each pair of gloves will have our logo  on the back where it is visible to the consumer every time they wear the gloves.

Sweepstakes Contest

In promoting our product, GreenHome will be offering a Sweepstakes contest open to every customer who purchases a GreenHome product. The consumer will enter a draw with a chance to win many great prizes. The grand prize is a trip for two to Hawaii. Second prize is an all expenses weekend getaway to Vancouver staying at the Four Seasons Hotel including dinner/theatre tickets at the Queen Elizabeth Playhouse.

There will also be chances to win over 500 smaller prizes, such as dinner for two at the Keg, Starbucks gift certificates, tickets to Buchtart Gardens in Victoria, Cineplex movie tickets and much more.


Advertising

Advertising

Purpose

Through advertising, we want to inform our potential customers about the wonderful features of our ant and roach killer. We must take customers that were totally ignorant in our buying consortium to where to they want to buy our product. The purpose of advertising is to create an awareness and interest in potential consumers. We need to inform the customer about the how, what and why's of our product. We need to familiarize our customer about how to use our product, where to use it and when to use it. Once they have all this data, then the consumer will be able to make an informed decision. We want to create such a high interest in our product, that when the customer has an ant or roach problem in their home or garden, they will know that they need to buy our product.


Advertising will also inform our customers about the various promotions that we have, including the GreenHome Sweepstakes with a grand prize of trip to Hawaii. As can be seen on our buying consortium, we have decided to initiate our promotion campaign immediately, so that we can capture the interest of the new consumer. If needed, we may offer another promotional contest later on in the year to sustain the consumer interest.

We want our LOGO  to be recognizable and have a positive effect on our customers where they know they can trust our product to be safe and effective. Through advertising, we want to create an image in the consumer's mind, that by using our product they will be peacefully content and happy.

Media Selection

In deciding what types of advertising avenues to use, we need to consider who our target margin is and what is they need our product to do. Our market research showed our target margin to be the weekend gardener, the retiree, and the small business owner. We are targeting the market in British Columbia for the first year, so our advertising needs to be concentrated within the province.

Media

It is important to select the media venues that are most appropriate for our product. As we want our Logo  to be a recognizable symbol for our product, we will be using printed ads in newspapers and magazines and also inserting flyers.

We will also be advertising in several Home and Gardening magazines. These magazines are read by people who are interested in gardening and will at some point in the future need to buy insect killer. By using colourful ads in these magazines, we can create a favourable impression to the consumer while informing them in detail about our brand.

Another venue for our advertising will be on local gardening shows. These shows are televised on local stations and introduce new products by incorporating them into the garden segments. We have chosen not to use television commercials as a venue at this time, because it can be very costly and many potential customers may use the commercial breaks to get up and get a snack.

Vehicles

Our initial advertising will be printed ads in the Home and Garden section of the Vancouver Sun and the Times Colonist. The Times Colonist, although circulated throughout the province, originates in Victoria, BC where there are many retirees and family households. The Vancouver Sun is distributed throughout Canada and is a very popular newspaper. Again, by advertising in the gardening section of these newspapers, our ads will be likely read by our target margin. The idea of advertising is to make our product a household name, so we need to be conspicuous and consistent in whatever ads we place.

In smaller newspapers, such as the Harbour City Star in Nanaimo and the Kelowna Daily Courier, we will be inserting one page flyers. This type of advertising is less expensive than having full page ads and is more appropriate for smaller towns. The advantage to flyers is that they can be kept for later use so that when you do have a need for insect killer, the flyer is right there on the fridge.

Another vehicle for our advertising is through Home and Garden magazines. This is advertising that is directed to a specific demographic. These magazines are bought and read by gardening enthusiasts who are constantly looking for new innovative and green products to use in their gardens. We will be targeting two magazines for now. They are British Columbia Magazine (formerly Beautiful British Columbia) and the Canadian House and Home. We have chosen the Canadian House and Home magazine with a future goal of expanding throughout the rest of Canada. Both magazines are well respected and a must-read for the avid gardener.

The third main venue of advertising during the first year is on local gardening shows. These shows are hosted by local gardening experts who have tips and advice about the home garden. They discuss pest problems relative to the area and offer advice on the products to use. The trend in gardening is to be as green as possible, so introducing our product through these gardening segments would be a very effective form of advertising for us.

Schedule

Vehicle	Dec 2009	Jan 2010	Feb 2010	Mar 2010	Apr 2010	May 2010	June 2010	July 2010	Aug 2010	Sept 2010	Oct 2010	Nov 2010
Newspaper												
Magazines												
TV												

We will start advertising via the newspaper and inserts in December through February. We are still in the winter months, so most of our product will be used to control pests inside the home and in businesses such as restaurants. We will initiate the newspaper ads in September through November, 2010 to again capture the inside market.

By January, 2010, we will start advertising in the Home and Garden magazines. This is a time when gardeners are ordering their spring seeds and getting ready for the spring season in their gardens. We will keep advertising in this venue until at least the end of April. By then, gardens have been sown and the weather is just starting to get warm up and is getting into ant season. After reading the magazines and newspapers for the past several months, gardeners should have all the information they need about our product in order to make a choice.

We have chosen to use the television during the summer months. Most gardens are producing vegetables and flowers by then, and the gardener is looking for practical advice on pest control that is organic and safe to use. Children and pets are playing in the gardens during the summer, so families will be looking for advice on environmentally safe products like GreenHome.

We need to keep the GreenHome name out front of all of our competitors. The best way to do this is by advertising as much as possible and as much as we can afford.

Our newspaper and magazine ads need to stand out on the page and catch the consumer interest. There are a lot of products on the market, but we need to make sure the consumer know that ours is the best. Our message to the consumer is that we have the only organic, effective ant and roach killer that they will ever need. Once you try our product you will never go back to your old brand.

Mock Up

Here is an example of an ad we will be running in the Times Colonist.

GREEN HOME

A New Innovative way to kill Ants and
Roaches in your Home and Garden

**Guaranteed to be safe for use
around children and pets**

TOTALLY ORGANIC

Eliminates Ants and Roaches for up
to one full month

FAST ACTING



Performance Evaluation

Performance Evaluation

When:

This marketing plan covers the first year that our product GreenHome Ant and Roach Killer is on the market. Our company will be evaluating and reviewing our plans as the trends change throughout the year. At the end of each month, small changes to our plan may be required to accommodate fluctuations in the market trends. If the market is fluctuating at a rapid pace, then GreenHome will evaluate as much and as often as necessary in order to achieve our goal of 20% of the market share.

Our product will come onto the market in late December, 2009. This is a time of year, when there is little demand for pest control in the garden. It is, however, when pests move inside the home, so demand for our product may be high. As the weather warms up in early March, the use of our product will change and be required outside. This time frame may vary according to the region of the province. Winter will last until April or May in Prince George as opposed to Victoria where the winters are much milder and spring can come as early as February.

As unpredictable climate changes occur, so must our time-frame goals. We can only plan so much, then Mother Nature takes over. This is why it is necessary to be flexible in our evaluations and make changes as needed before it is too late.

How:

Our review will include data from four main sources. They will include sales figures, feedback from wholesalers and retailers and by watching the competition.

We will be conducting monthly surveys from our wholesalers to receive feedback about what is working and what is not. Are the wholesalers receiving shipments from the manufacturing plant on time and in sufficient volume to keep up with the retailers demand? Is there sufficient space in their warehouses to accommodate the high volume? Are they able to keep up with the retail orders? Are the billing procedures working smoothly?

Completion of monthly surveys will also be required from our retailers. This data will be invaluable in tracking the purchasing trends and in evaluating if we are producing too much product or not enough. There will also be questions about the working relationship between the retailer and their wholesaler. Are they receiving their deliveries on time, are they receiving the full service that they were promised and generally are they satisfied with the specific wholesaler that they use?

A survey will also be included with the purchase of every bottle of insect killer. The consumer is asked to complete the survey and mail it in to our company. This survey will also be available on our website www.greenhome.com. From this survey, we will be able to compile data on what the consumer thinks of our product, how effective was it, and would they buy it again?

Our marketing team will be meeting monthly to also discuss **competitor intelligence**.

We need to know what our competition is doing and how well it is working for them.

What can GreenHome learn from their promotional methods and marketing strategy.

It is also important to **review home and garden magazines and trade journals** for current trends. Are the demographics for home and garden insect killers changing and if so in what direction? Consumers often write about their opinions on a new product to magazines. By reading these editorials regularly, GreenHome will be more aware of what the consumer likes and doesn't like about our product.

Sales figures are also an important way of finding out how well our company is doing.

The goal of every company is to be profitable, so when sales are down, it is important to find out why so that changes can be made before it is too late. Alternatively, if sales figures are high, we need to continue to monitor the market closely so that the figures continue to go up.

Contingency Plan:

Every company must have a contingency plan to correct imbalances in their marketing strategies. Today's current market can be very unpredictable so it is very important to have a "Plan B" just in case the market swings either way dramatically.

Overachieving means that we surpassed our original goals. This is a good thing, but it does have areas of concern. When we sell too much stock quickly, retailers run the risk of "stock outs". This is when the demand for product cannot keep the product on the shelves. This is something that needs to be avoided if possible, because if the product is not readily available, the consumer will buy one of the competitor's brand and we will

have lost a sale. Delivery schedules will have to be changed in order to avoid empty shelves.

If at the end of year one, our goals have been met and then surpassed, it will be time to look at where we go from there. Our original plan was to expand to across Canada, but we may also decide to distribute to the United States or Europe.

There is also a possibility of **underachieving**. This means that at the end of first year of sales, GreenHome has not met its profit goals and have not taken 20% of the market share. In this case, we need to find out what went wrong and find out how we can change it? This will certainly include increasing our marketing budget. At a time, when the profit is low, it is still necessary to spend money on market research and to develop a new marketing plan. We will also have to make changes to our advertising and promotional campaigns and generally scrutinize our company's performance over the last year.

