

# Organic Garage Marketing Analysis

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## Organic Garage Marketing Project

The purpose of this document is to analyze Organic Garage and identify what the company offers, as well as examine the company using the SWOT principles of Strength, Weaknesses, Opportunities, and Threats, identify target market segments, create two archetypical personas to represent the segments, and develop an action plan.

### Company: Organic Garage

Organic Garage is a small grocery store which specializes in selling Organic, Free-Trade, and Holistic foods and products. As described on the website:

*Organic Garage is a Canadian, family run grocery store with a difference. Our mission is to bring you the best quality organic and all natural products, at the best possible prices. You don't have to join a club, carry a card or clip coupons to enjoy... Healthier Food For Less!*

*Organic Garage is committed to offering our customers the best products made with the best ingredients and that means making sure they don't contain things that aren't good for you. Products that contain the items below won't be found at Organic Garage and we're constantly auditing our products to ensure their ingredients don't change.*

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With a passion for their philosophy, and a commitment to educating others, Organic Garage sets themselves apart from other grocers through their products, their events, and in-store experience.

A key value driver for Organic Garage is the quality of their produce and products. With a very stringent selection process, the company only offers what they believe to be the healthiest and most ethical choices.

Another key value driver is the company's support of local food growers. This promotes a sense of local community which is very important with their customers and suppliers alike.

The immediate local competition for Organic Garage is Food Basics, a discount grocery store located in close proximity, as well as Whole Foods, a large chain organic food store that caters to a more affluent clientele. Additional competition comes from Loblaws and No Frills.

## Market Segments

### Segment: Health Conscious and Cool Young Mom



Name: Rachel Summers

Age: 31

Location: Oakville

Status: Married with a three-month-old baby.

Household income: \$75K

Occupation: Currently on maternity leave from her office job, running an Esty. Her husband is a partner in a new landscaping company.

- -Rachel is a health conscious woman who wants to pass on her good habits eating to her daughter who is 7 months old. Four years ago Rachel was lent a copy of Michael Pollan's book *In Defense of Food: An Eater's Manifesto*, and since then she has really placed high importance on the quality of food that she consumes.
- -Her priority is her child and she wants to give her only the best. Rachel reads lots of blogs and has decided that she wants to eat as organically as possible. For her though price is an important factor and if organic is double the price as conventional food or more, then she finds it hard to justify spending that much and looks for other options.

- With a mortgage to pay Rachel is conscious of a grocery budget that she and her husband have discussed, so she does her best to keep below that budget.
- Rachel and her husband do not smoke, but do have the occasional glass of wine or beer with dinner or friends. With all her time at home watching Baby Einstein videos, Rachel still finds it important to get out with her husband to spend time with other adults.
- As a family they do not eat out much, for dietary and financial reasons.
- Shopping is something Rachel does about twice a week; She tries to buy fresher ingredients so she goes more than once. She will usually go once in the week by herself with her daughter and on the weekend her husband often joins her.
- Rachel would love to have a vegetable and fruit garden of her own, but because her and her husband live in a smaller condo in Oakville, there is no room for a garden. For now she'll have to settle for her small herb garden on her balcony. She and her husband would love to get a bigger house one day and have more children, but for now their apartment is enough.
- Rachel enjoys learning about the subject of healthier eating and products, and enjoys passing on that knowledge onto others. She tries to become an expert in her own right, and has her very own blog that talks about her learning processes as a young new mom. Her blog also informs others about the healthier steps they can take as mothers, from green cleaning supply alternatives to recipes and food tips.
- From running her own blog to her own Esty shop, Rachel is often found on her computer. She is very tech savvy and uses social media, such as Facebook, Instagram and Twitter, to her advantage to promote both her blog and her shop, and to reach out to those with questions about either.
- Rachel has even gone to Toronto to various seminars and conventions with other new moms to learn about being a healthy influence for her and her family.
- As a new mom Rachel does not a lot of time for herself, but she manages her time wisely so that she can tackle as much as she can.
- Rachel takes pride in her cooking, preparing all meals from scratch. She comes from Eastern European descent, so growing up in her household she was always given meals and baked goods lovingly prepared by her mother and family, which is something that she wants her daughter to experience. She is not a fan of fast food or boxed meals, but when she is running errands short on time and needs food quickly, she will weigh out her options and try to make a very informed decision.
- When it comes to products Rachel needs, food or otherwise she is willing to test them out if she sees that they have positive reviews and have been recommended by an opinion that she trusts.
- Rachel will often have coffee or play-dates with other friends who are also young moms, and sometimes they will make great recommendations about recipes and ways to cut costs in the home.
- In Rachel's eyes taste is still a big factor when it comes to food, she won't be making anything that she knows her husband won't eat, and he is picky. If there is no meat in a dish, then it has to be extremely tasty to get her husband to touch it. Since he does a lot of physical labour for work, he wants meals with substance.
- Rachel is a little more open-minded than most when it comes to her meal options, she'll try anything once and skipping meat now in then is not too hard for her. For a few years in university Rachel was a vegetarian.
- Rachel will usually pack a lunch for her husband to take to work, giving him some leftovers or making him a hearty sandwich with snacks that are nutritious. She likes to use Pyrex glass

containers rather than the plastic lunch containers because she does not want any of the plastic's chemicals leaching into her family's food.

- Before having her daughter Rachel was a bit more of an active individual, going for hikes often and the occasional yoga class at her local YMCA.
- To her spending time with the family is a high priority, so a few times a week Rachel and her husband will take the baby out in her stroller for a walk. Together they will utilize the local trails around Oakville.
- She is concerned about the environment – She joined the Friends of the Greenbelt organization when they came to her door because she values the green spaces that she uses.
- Rachel and her husband enjoy going to the local market occasionally, buying locally farmed good and actually meeting with those who grew the food themselves. She also enjoys learning from them and getting advice about how to prepare the food.
- Her Needs:
- Rachel needs to find a local grocery store that suits her healthy lifestyle and is not too expensive.
- She needs a store where she can get her value in goods but she is a willing to invest in her family.
- She wants to be part of a community that shares the same life philosophy.
- Rachel wants a store that can introduce her to new brands and products that will be good for her.

## Segment: Young educated professional eco-friendly millennial



Name: Jamie Winters

Age & Sex: 24 year old male

Location: Oakville

Status: Common law, lives with girlfriend

Household income: \$50k

Occupation: Works at the Ministry of Natural Resources

- Jaime is an educated hippie, who was brought up in a healthy atmosphere.
- Food production wasn't always in the forefront of Jamie's mind, as long as it seemed good for him he would blindly eat it.
- Through his education in environmental sciences and working for the ministry of natural resources Jamie has developed a new appreciation for where and how things are grown.
- Jamie is very passionate about this and wants to protect himself and his girlfriend from things like GMO, and common pesticides found in a lot of the food on the market.
- Jamie lives with his girlfriend in a basement apartment in Oakville
- Jamie and his girlfriend have built a small garden in their small section of the backyard and had a very successful summer of vegetables.
- Limited with outdoor space, Jamie wasn't able to grow a lot of what he wanted, he was limited to a few tomatoes, carrots, potatoes and beans.
- Jamie has noticed that he and his girlfriend have been spending a lot of money going out to eat or ordering in and he wants to curb that bad habit, not only because its bad for you but because its also very expensive.
- Jamie has developed a passion for cooking and trying to use new healthy ingredients.

- Outside of his girlfriend and immediate family Jamie doesn't know anyone else who is very health conscious and because of that he sometimes feels like he can't express his newfound interests
- Jamie is constantly looking for and joining healthy living/eating groups, mostly found on Reddit (a social website)
- Jamie has become an active member of a few of his food boards. He enjoys sharing his thoughts about healthy living and the environment.
- Jamie doesn't use a car very often and as such bikes a lot outside of work.
- Jamie will bike to do his errands and as such those errands can take a bit longer to complete, leaving him less time in his day to enjoy his passions.
- Biking to buy his groceries will dictate how many stops he can make. Jamie longs for an organic grocer with more selection as now he misses out on some foods that aren't available at the chain stores.
- Jamie likes to support local businesses but find a lot of his options are the big box stores.
- Jamie and his girlfriend have just recently added a new member to their family, a rescue dog named Sadie.
- Jamie wants to apply his food knowledge with some help from the internet to start preparing healthy meals for his dog.
- Jamie understands the cost associated with organic food, his girlfriend has helped them create a budget so that they can save money while eating healthy.
- The budget has limited there social life a little so Jamie has been spending a lot more time learning about food and health
- Jamie and his girlfriend enjoy going to a few local markets around there home. They make an afternoon of it and will usually come home with a lot of new food ideas.
- Jamie has been thinking about marriage and wants to start a family in the next 3 years
- Jamie wants to make sure that he, his girlfriend, and their future baby are all healthy people so starting on this path now is his top priority
- Jamie would love to move into his own place where he and his girlfriend can grow a giant backyard garden but until that time he understands that he needs a great organic grocer with a large selection
- His Needs:
  - Jamie needs a local organic grocer with a wider variety of organic offerings than the box stores.
  - Jamie needs to save money while buying organic so he can save for a house and his future family
  - Jamie wants a place to belong and a place that will motivate him to keep on the right track
  - Jamie wants a grocery store that feels more friendly and inviting, a place that might offer demo's and recipes to new, easy, exciting organic meals

## SWOT Analysis

### Organic Garage STRENGTHS can be described as follows:

#### **Commitment to delivering the healthiest choices in both organics and pre-packaged foods.**

The company is dedicated to offering the highest quality of foods by doing extensive research in to the ingredients of the products sold, as well as the practices of the producers and importers. Furthermore, it is part of the company philosophy to monitor the ingredients of existing suppliers to spot any changes to their products. If any new ingredients included appear on their 'banned' ingredient list, they will discontinue selling the product. This kind of dedication provides customers of Organic Garage to meet with the following personal lifestyle choices:

- Healthy and health conscious ingredients
- Ethical trade practices for production and export/import of products
- Supporting local growers

Additionally, the extensive diligence done by Organic Garage in to their products saves time for their customers as customers know all products purchased through the store will meet with the highest standards.

#### **Commitment to educating others about the health benefits of products**

The staff at Organic Garage work to educate others in the benefits of healthy eating. This is done by holding events and workshops, as well as in-store demos, to showcase health choices in foods and products. This helps to build company loyalty by demonstrating their commitment to their philosophy. Furthermore, products and produce is advertised simultaneously. This adds value to the customer as they learn new information and are often exposed to new products and foods that they have not yet tried.

#### **A smaller, community based store**

Organic garage is not a large chain store, and as such, offers a more personalized experience. This lends to the feeling of community for the customers at Organic Garage. With a unique look and atmosphere, the company offers and more intimate shopping experience. Like many small companies, Organic Garage has an interesting origination story, and has successfully grown to cater to a niche clientele. The company has put effort in to building a reputation as a community based store, and has now expanded their community to include not only those who live close by, but also a community of people who share a like-minded philosophy.

#### **Informed products for informed consumers**

Because Organic Garage is a niche grocery store, they are able to stock their shelves with a very large variety of organic foods and healthy living products, even more-so than large chains that generally only carry a few brands in their organic section. This gives their customers the largest variety of healthy and holistic products in a single place.

## **Organic Garages WEAKNESSES can be seen as the following:**

### **Poor advertising and out-of-the-way location**

Organic Garage's commitment to the environment has led to fewer traditional advertising campaigns such as mailed flyers and community posters. In addition to this, the out-of-the-way location limits the amount of foot traffic that might allow a potential new customer to find the business. Lastly the website is poorly made and does little to communicate the products sold by Organic Garage.

### **Proximity to a large discount grocery store as well as popular large chain organic grocer.**

The store is located in close proximity to Food Basics, which is a large discount grocery store. Although both companies are selling to different target consumers, Food Basics will always be a lower price point for more general goods and non-organic produce. Furthermore, any people in the community who are looking to purchase food will immediately see Food Basics before Organic Garage. This could mean the loss of potential customers due to location. On top of this is their direct competition with Whole Foods, a large company that focuses their goods on organic and healthy living. Whole foods provides a large grocery store experience (spacious environment, modern convenience, and traditional décor) for the niche organic market. Prices are generally more expensive, but their market is a consumer with a higher income level.

## **Organic Garages can take advantage of the following OPPORTUNITIES:**

### **Continuing trend for many people to invest more money in their health**

There is a continuous upward trend in people willing to invest more in healthier foods. Although the local community is not as affluent as communities north of the highway, many Oakville residents may be willing to travel further to purchase products that they know are harder to find, or are better for their health. Organic Garage and its 'grassroots' appeal could appeal to a segment that values not only a healthy lifestyle, but also a less traditional societal view. The store environment is very unique and changes the way in which a consumer experiences food shopping. Additionally, Organic Garage helps conscientious consumers save time by providing ethical and health-conscious products.

### **Taking advantage of technology**

Organic Garage's philosophy of greener living could make use of technology to increase their sales. This can be achieved by offering e-flyers (which they already do) as well as online coupons or promotions. Furthermore, more effort can be put in to their web presence to help build and grow their community of customers. Facebook page(s) and other forms of social media would be useful for continuing to spread their web presence to potential customers. In store education can be blogged or put on social media. Additionally, the inclusion of recipes and other healthy living articles can not only improve store exposure, but also further their efforts on educating others.

### **Staying on top of cultural trends**

Organic Garage already offers seasonal produce and goods from local growers, but could expand that to include imported goods from other countries and cultures. Products and produce could be featured

depending on time of year and what cultural festivals are happening. Furthermore, Organic Garage can become more involved in local events that are hosted by the city of Oakville. This will spread their presence through participating in a larger forum. This will also allow people who live outside of their immediate community to discover of their existence. Lastly, participating in pop-up markets or local farmers markets might increase exposure as well as potentially finding more suppliers for their products.

### **Initiating their own campaigns**

Organic Garage has a very clear philosophy and puts much emphasis on their knowledge of health products and healthy ingredients. With some initiative, Organic Garage could organize their own events or shows in places such as Schools, Malls, and other public places with the intention of educating people about the advantages of a healthy lifestyle, as well as the importance of investing in ethical products. Their passion for their cause is a major feature of the Organic Garage brand, and they could win many customers based on their deep commitment to their beliefs.

## **Organic Garages can may be subject to these THREATS:**

### **Changes in local laws that might become hindrances**

The import and sale of foods and perishable goods are subject to many laws. These laws are in place to ensure the health and safety of the public. There may be changes in these laws that could affect the ability for Organic Garage to stock and sell specific brands or types of food. Additionally, changes in laws could increase the price of the goods being imported, which will then turn in to higher prices for their customers. Although many people are willing to spend extra for their health, there is a line that many will not cross for organic foods and goods.

### **The expansion of large food stores in to the organic market**

Most large chain grocery stores now sell organic produce as well as organic/healthy living products. Although they might not have the large variety offered by Organic Garage, they will often be able to sell some of their products for a lower price due to the larger volume of import and order. This may then attract customers from Organic Garage to the larger store where they may stay to finish their shopping (out of convenience). Additionally, their direct competitors are

### **Dependency on local suppliers as well as suppliers abroad**

Because of their strict philosophy, Organic Garage is moderately dependent on suppliers who are able to meet their extensive guidelines for the products they sell. If the provider changes their ingredients, or if the food growers experience a bad crop year, then this translates in to fewer products for sale, at higher prices. This will affect business as even customers who are willing to spend extra on healthy food have a line that they will not cross.

### **Sudden change in the community**

Kerr Street community has been going through gentrification which could affect the success of Organic Garage in an unknown way. The sudden increase in the average income of the community often

provides local businesses with increased revenue. However, this often has the negative effect of increased rent costs for commercial spaces. As a result this could increase overhead costs which in turn will reflect on prices and possibly the loss of customers.

## **Positioning Statement:**

For the **local and conscientious consumer who is looking to take their healthy lifestyle to the next level**, and who demands the **highest quality organic produce and holistic products**, **Organic Garage** is the **premier supplier of natural goods that promote a health positive and green lifestyle**. As an alternative to **large chain supermarkets**, **Organic Garage provides a multi-sensory and immersive atmosphere with a commitment to education, while offering the most ethical and healthy choices without inflated prices.**

## **ACTION PLANS**

### **PRICE:**

It has always been Organic Garages mission to sell its goods at a lowered cost on major supermarket grocery store inflated prices. Organic Garage leverages its lower overhead costs and free-trade produce connections to translate into savings for the customer. While not all products can be provided at reduced cost, Organic Garage will continue to provide better environmentally friendly packaging and always-infallible quality.

### **PLACE:**

Organic Garage's primary key place is in-store where it provides a multisensory immersive experience for its consumers. It will continue to generate a cool alternative atmosphere and promote its product and educate its consumers with in-store sampling and demonstrations. Their primary key place will begin implementing more experiential promotions to tie into its social media efforts. Organic Garage's secondary key place will be its redesigned website that will carry the same alternative atmosphere and immersive educational experience to encourage in-store visits. Organic Garage's tertiary key place is it's social media presence, where it will be olive branching new competitions to draw more consumers in store by the awarding of gift cards. Organic Garage's quaternary key place will be at trade show and event booths where it will promote shop by educating consumers about new products.

### **PRODUCT:**

One of Organic Garage's strengths is the variety of brands in which it offers, unlike its large-scale competitors. Organic Garage specializes in providing fresh produce and ethical goods that promote a healthy green lifestyle. Organic Garage can lean on its strong morals, environmentally conscious waste programs and the promise that it makes to its consumers to never compromise on quality in order to appeal to the consumer's feelings of moral responsibility. As a store, Organic Garage provides the 'whole' package of organic goods from food and produces to personal hygiene and toiletries to daily lifestyle items and can provide the consumer a most all-encompassing holistic shopping experience.

### **PROMOTION:**

#### **Website Re-Design**

The re-design of Organic Garage's website will re-energize the companies mission statement and re-introduce the companies heritage and promise to consumers. The new design will be edgy but modern, providing an alternative to the corporate design of mundane supermarkets attracting users by reinforcing the novelty of stores garage location and the immersive experience.

#### **Social Media**

- Facebook (Maintain)
- Twitter (Maintain)
- Instagram (Improve)

Organic Garage will continue to maintain its Facebook and Twitter accounts and start to focus on improving its Instagram by implementing more experiential in-store promotions to get consumers involved and posting. Organic Garage will push gift card prizes through competitions across social media in order to attract new customers to explore in-store.

### **Trade Shows and Events**

Organic Garage will continue to sponsor shows and events and be more active at educating and promoting at booths.

### **Local Guerrilla Campaign**

- Bus wraps
- Bus shelter ads
- Bench ads
- Local radio
- Posted flyers

Consumer demographic shows people do not travel extended distances to shop at Organic Garage. Being a smaller niche store its market base is local. Based on the targeted personas, consumers express concern towards the environment and often opt for pedestrian or public forms of transit as a cleaner means of travel or necessity. An ad campaign centering on public transit will not only provide positive PR, it is also one of the common denominating factors between the largest segments of the target market. Local radio will also act as a good complementary campaign to reach vehicle owners while flyers and bench ads will target other modes of pedestrian transportation.