

## Read the Case

Slowly, thoroughly, thoughtfully and repeatedly, read the case!! Make sure you have all the facts straight and know what information it has. Read it once for an overview, then read it again looking for themes. It often helps to highlight sections or write notes in the column (e.g. a big S in the column beside a strength.)

You should sketch out your analysis and recommendations as well, following the sample Marketing Plan format. By doing so, you will have something to compare with what follows and you can see if and how they differ. For maximum learning, this is the way to go!

**STOP! Halt! Wait!!**

Do not proceed unless you have read the case!!!

## Executive Summary

Push mowers have experienced dramatic growth in recent years, driven by a trend to smaller lawns, consumers' desire for simplicity and concerns about the environmental impact of gas and electric mowers. We recommend that Keith Damien choose urban women as his primary target market, with urban men as a secondary market to achieve an objective of 3,000 unit sales in the first year. The Greenkeeper Mower should be positioned as "Right for your lawn and the environment", and be distributed through garden centres and hardware stores in areas where urban renewal is occurring. Promotion will be through event participation and brochures attached to the machines, along with extensive personal selling and training of those who will explain the machines to customers.

## The Current Situation

**The Market**      The market should be considered as a new one, since it is quite distinct from the traditional push mower which faded away. Reasons for buying push mowers relate to environmental concerns, very small urban lawns and the desire for simplicity.

**The Products**      American Lawn Mower dominates the market for push mowers. While gas and electric mowers cover the broader lawn mower market, the push mower serves a different segment, which is much smaller.

Demographics	<p>Baby Boomers, who are the largest group in the population are reaching the "empty nest" stage of the Family Life Cycle, when they are likely to move to smaller homes.</p> <p>Incomes are near their peak for people in their 40s and 50s.</p>
Social/Cultural	<p>People are looking for "upscale simplicity"</p> <p>Many are moving to small city homes with small lawns.</p> <p>Interest in environment and exercise supports push mowers.</p>
Economic	<p>There seems to be little in this area.</p>
Political/Legal	<p>Legislation might favour push mowers, but there seems little pressure for it.</p>
Technological	<p>On the one hand, modern technology doesn't seem to apply to push mowers. On the other, gas and electric engines are becoming more efficient.</p>
Competition	<p>Clearly, American Lawn Mower dominates the push mower market. It makes low end mowers, judging from the Canadian Tire offerings, and may make higher end machines. However, it does not seem to be showing much interest in the trend to push mowers; rather, it is simply responding to getting more orders.</p> <p>Electric and gas mowers dominate the lawn mower market. Lawns seem here to stay, so some machine is needed by almost every homeowner.</p> <p>One potential competitor is the use of spreading shrubs or rocks or bricks as a substitute for a traditional grass lawn.</p>
Greenkeeper Mowers	<p>Keith Damien has a good, well-engineered product that delivers superior performance for cutting lawns. He has taken the time to develop a machine that makes use of modern technologies and can be produced at costs (\$150/unit) that seem to allow for reasonable profit margins (if sold at \$200 each). However, he does not presently have distribution for the product.</p>

Several segments are clearly identified in the case and we can put together what each seems to want in terms of the 4Ps:

Segment	Casual Gardener	Serious Gardener	Urban Women
Product	Basic gas or electric mower	Fancy mower-- gas for large lawns, push for small?	Those with small lots may want push mower
Price	Low \$100 to \$300	High \$250 to \$500	Mid \$200 to \$400
Place	Canadian Tire, hardware	Garden Centre, Home Depot	Garden Centre, local hardware
Promotion	Stress price, selection, easy to find. Use larger media, perhaps national newspaper ads	Stress quality, simplicity, good results. Use local media, in-store, perhaps co-op	Stress practicality, exercise benefits, environmental advantages, quiet operation. Local media, in-store brochures, advice from sales people.

*Note that we have touched on each of the key areas of environmental analysis to ensure we didn't miss anything major. The main things that arise are in the social/cultural and demographic areas. Together, they show a large group of people who would seem to be a potential market for push mowers. We have also developed profiles of the various segments and the 4Ps that make sense to them.*

*The value of doing this is that we understand what the various groups of consumers want and, from that, determine the marketing strategy that would best meet their needs. At this point, we still have made no decisions on our strategy. We are making sure we really understand the market and identifying the things people want. Take the time to complete your environmental analysis well and you are on the road to a solid marketing plan.*

## SWOT Analysis

### Opportunities

- Serious gardeners, who take real pride in their lawns want top-quality lawn mowers to do the job right.
- Urban residents with small lawns (typical of many trendy urban renewal areas) need only a simple mower.
- Women prefer simpler lawn-cutting machines which do not create noise or air pollution.

- Those seeking a simpler lifestyle and wanting exercise at every opportunity could see the lawn mower as desirable.

## Threats

- American Lawn Mower seems to be a laid-back competitor, but it might wish to maintain its dominance by creating machines to serve the emerging segments.
- American may react fiercely to the entry of a new competitor in the field.
- People are notoriously fickle when it comes to concerns like the environment -- would they really want push mowers when push comes to shove?

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Here are some ideas on strengths and weaknesses you might find in this case. Review the section on SWOT if you are not sure how to go about this. Above all, make sure these are internal issues!

### Strengths

- \* Good product
- \* Engineering background
- \* Market research
- \* Environmentally sound
- \* Looking for strategy
- \* Partner in manufacturing

### Weaknesses

- \* Limited production capacity
- \* Little marketing knowledge
- \* Limited production capacity
- \* High price needed
- \* High cost structure
- \* Apparently low budget

*From this SWOT analysis, the various segments identified are the major **Opportunities** which arise. Competition seems to be the main **Threat**-- would American Lawn Mower move into the high end of the market if Damien had a good machine? As for the Strengths and Weaknesses, there are more that could be pulled out, but this list is a good start. Note it is in point form, making it easy to review later when you are getting facts. All the points are things that are within his control and are often part of his 4Ps Be careful with this stage of your marketing plan analysis, as it is easy to jump to several “;knee-jerk”; recommendations, which will deal with single issues. Hold your thoughts on recommendations until the strategy sections of the marketing plan.*

## Issue Analysis

Sales of existing push mowers demonstrate that this market is real. The key concern is whether people would pay more to get superior cutting quality or the good feelings associated with simplicity.

Many of the segments identified here are difficult to reach in terms of their attitudes because they are so spread out. However, the urban market is more concentrated, has smaller lawns and is more likely to have individuals concerned with a simpler lifestyle. The large lawns of typical suburbs preclude them from consideration. Hence, the best segment that fits with Greenkeeper Mowers is urban residents, particularly women.

*Note that this section mulls over the issues, but comes to a conclusion -- one that will shape everything to come.*

## Objectives

Damien should aim to sell 3,000 mowers over the next year.

*There is only one objective here, but why would more be needed in this case? This keeps it simple and we have plenty of work to show how we can meet that sales target.*

## Marketing Strategy

Damien should select urban women as his primary target market, with urban males as a secondary target. Urban is defined as areas with large concentrations of renewed, upscale housing.

The Greenkeeper should be positioned as “Right for your lawn and the environment“. This conveys the quality work it does and its environmental soundness.

Damien should price the product at \$300 retail (assuming a 33% margin) and should distribute to traditional hardware stores located in the target market areas and at garden centres which serve those areas.

Promotion should be in-store (brochures, perhaps attached to the handles, or displays). The message should stress the simplicity, exercise benefits, environmental soundness and practicality of the machines. The superior cutting action should be secondary.

Personal selling will be important, however, so work needs to be done to ensure that staff at these outlets are well aware of the benefits of the product. Probably the largest challenge facing Damien is getting distribution. If he goes through many independent hardware stores and garden centres, he must do a great deal of personal selling and make many calls to get people to carry his products. They will sell in low volumes at all these stores and he may find some retailers wanting to drop the line if it doesn't move fast enough. While there are some chains in the business, the fact is that he will have a lot of travelling and selling to do!

Does he have the skills and time to do this? Also, since the machines are bulky, they will pose inventory problems.

*Note how the recommendations clearly spell out the target markets and 4Ps. Also, note how the strategies are justified and their deficiencies noted. This kind of balanced view in a marketing plan is important to show risks are being recognized. A case could also be made going after serious gardeners as the target market. Each individual will bring their own judgement to bear on this. There is not much of a case to be made for the casual gardener segment. It is hard to see why these people would be interested in push mowers. That's why we did the analysis! This sample of a marketing plan reflects one way of approaching the task; others could describe segments differently and arrive at slightly different conclusions, for example.*

### Tactics (Action Plans)

Keith has the product, so his principal task is to start knocking on doors to get hardware and garden stores to carry the mower. He should start with the “trendy” areas in the urban core and seek out local hardware stores that serve them.

He needs to get a colour brochure prepared that will be hung from the handle of the product to explain its benefits. It is important that this “silent salesman” be there, as it is not wise to assume store staff will do a good job explaining it. Estimated cost is \$3,000 for 3,000 copies.



Keith should identify and visit local business shows at which potential retailers might be found.

Demonstrations, especially where potential buyers could try the machine on a real lawn, should also be planned where feasible.

### Pro Formas

We have only limited data, but we can still piece together a basic Pro Forma using his sales forecast (3,000 units) and the noted costs. Remember, the idea is to show that, given your spending on promotions, product development, etc., your sales forecast is valid and a reasonable profit or loss will be made.

Greenkeeper Mowers Projected Income Statement		
Revenue	\$600,000	Based on 3,000

		units @ \$200.
<b>COGS</b>	<u>\$450,000</u>	Based on 3,000 units @ \$150 cost.
<b>Gross Profit</b>	\$150,000	Revenue - COGS
<b>Brochure</b>	\$3,000	Case information.
<b>Salary</b>	\$40,000	Estimate.
<b>Shows &amp; demonstrations</b>	\$5,000	Estimate -- five shows @ \$1,000.
<b>Travel</b>	\$10,000	Estimate
<b>Rent, equipment</b>	<u>\$60,000</u>	Estimate based on need for plant.
<b>Net Profit</b>	\$32,000	

## Evaluation Procedures

Our objective was 3,000 units sold over the year, so we will evaluate our performance based on sales. We will break out sales into anticipated peaks and valleys, since few people will be buying lawn mowers in the fall or winter. We estimate 75% of this target should be reached by June. Sales will be monitored not only from our factory, but through sales at our outlets, to ensure the product is moving.