



SIGNATURE COCKTAILS

*Farmer's Daughter*

*bloody mary mix*

FRESH FRUITS

# Introduction

Nestled in the foothills of the Smoky Mountains, Grainger County, Tennessee has long been hailed across the south for their prized tomatoes that are full of flavor and are versatile in use. Growing up on a family farm, Sally Randolph created award winning, delicious recipes with the tomatoes that were rejected when harvest crews left the fields. Sally hated the idea of wasted food and invented unique recipes to use these otherwise wasted tomatoes. During her time in college, she became well known for her homemade Bloody Mary mixes enjoyed after many Southern football Saturdays. Stories circulated that even rival fans would don her precious Tennessee Orange just for the opportunity to get a glass at her tailgate. After finishing school and returning home to take over the family farm, with encouragement of all who had tried her mixes, Farmer's Daughter Bloody Mary Mix was born. Solving food waste, diversifying farm income, and meeting the needs of a growing farm-to-table and home mixology market are just a few of the ways that Farmer's Daughter Bloody Mary Mix promises to become a profitable addition to the product lineup of the Brawner Brothers Cannery in Dandridge, Tennessee.

## Market Analysis

The 2008 recession began growth in breakfast and brunch dining<sup>1</sup> as consumers traded from relatively more expensive late-day dining out experiences.<sup>2</sup> This trend continues today and has accelerated with the expansion of the gig-economy and flexible workplace arrangements. Bloody Marys have risen in popularity with these trends and have also become a staple in the home mixology movement.<sup>3</sup> Adding to the versatility of this drink, they can be served with alcohol or without (virgin), making them appealing to an even broader range of consumers.

- Google Trends<sup>4</sup> indicates a surge in searches for Bloody Mary drink recipes during major holidays such as Thanksgiving, Christmas, New Year's, Valentine's Day, and Easter.
- The Covid-19 pandemic<sup>5</sup> has increased consumers' demand for away-from-home dining experiences in-home<sup>6</sup> such as recreating their favorite brunch foods and drinks.
- Sales of alcohol for consumption<sup>7</sup> at home has increased by 24% during the pandemic.
- Overall alcohol consumption by adults has increased by 16% during the pandemic.<sup>8</sup>

- In response to an unprecedented increase in take-out dining, many states have relaxed restrictions on take-out alcoholic beverages.

## Primary Research

In 2020, Clark Marketing Research conducted primary research surveying 2,000 individuals in key target markets. Survey respondents were asked about their preferences for and frequency of mixed-drink consumption with emphasis on Bloody Mary drinks, their awareness of food waste issues, their preferences of locally produced foods and beverages, and demographics.

## Key Results of the Bloody Mary Consumer Survey

- 60% of respondents indicated they consumed at least 2 Bloody Marys per month
- 70% of respondents indicated they consciously reduce their food waste
- 85% of those surveyed indicated they would prefer to purchase mix from a locally sourced company
- 56% of those surveyed showed interest in purchasing from food conservation focused companies
- 45% of respondents in the target market are aware of food waste issues in their area

## Producer Benefits

Commercial growers will be able to market previously non-merchantable tomatoes. Specifically, Farmer's Daughter Bloody Mary Mix is being mass produced by Brawner Bros. Cannery and uses the typically discarded tomatoes as the primary ingredient. This will increase producer income while eliminating a significant source of food waste in tomato production. Canning grade tomatoes are often fed to livestock or simply thrown away, which is almost certainly a 100% loss. Farmer's Daughter Bloody Mary Mix gives producers an outlet for their tomatoes that cannot be marketed through other avenues as-is. This also gives farmers another stream of diversified income, reducing income volatility.<sup>9</sup>



### Becky the Bar Owner

- She owns and runs several restaurants emphasizing brunch offerings and is concerned with profitability, quality, and the sustainability of products she serves.
- Becky values the opinion of her bartenders and customers in deciding what products to offer.
- She is in her mid-forties and is driven to deliver the highest quality of service, food, and beverages to her clientele.
- Seeks larger size bottled mix to reduce waste and capture economies of scale.
- Values good quality and good price point, and understands that quality products are worth the investment.
- Becky sees the market trends in ethical consumerism and would like to capitalize on that in her marketing materials.
- As someone in the food service industry, Becky understands food waste and values products that help reduce it.

## Audience Profiles



### Piper & Brad the Young Professionals

- Millennial couple from the Midwest.
- Values experiences over price point.
- Enjoys hosting friends (within CDC guidelines).
- They are social drinkers but prefer drinks stay within a certain caloric amount.
- She goes to yoga, Pilates, and runs often so she values added health benefits of tomato juice in a Bloody Mary.
- He enjoys watching sports and likes the day after benefits of a Bloody Mary.
- They are the ethical consumers who are environmentally conscious and value products that are in line with their waste reduction views.

## Competitive Analysis 13,19,20,21

Bloody Mary Mix Brand	Price	Uses Real Tomato Juice	Offers Bulk Packaging for Restaurants	Increases Farmer's Income	Utilizes Local Products	Fortified with Vitamins & Minerals
<i>Zing Zang</i>	\$9.97 for (6) 8oz. Cans					
<i>Demitri's</i>	\$27.64 for (4) 8oz. Cans					
<i>Farmer's Daughter</i>	\$14.97 for (6) 8oz. Cans					

## SWOT Analysis

Internal

### Strengths

- Utilizes locally grown ingredients
- Well-developed existing production infrastructure
- Fortified with vitamins and minerals
- Reduces food waste
- Affordable raw ingredients

### Weaknesses

- Reliance on locally grown products/suppliers
- Limited market influence
- Weather related crop failure

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### Opportunities

- Capture locally grown consumer demand
- Expanding E-commerce
- Growing ethical consumerism demand
- Growth in brunching
- Increase in Bloody Mary demand

### Threats

- Increased competition in alcoholic market
- Decreased consumer restaurant spending

# Business Proposition

## Product Description

Farmer's Daughter Bloody Mary Mix isn't just a cocktail mix, it's a story in a bottle. Raised on the farm in rural East Tennessee, Farmer's Daughter brings savory flavors with a kick to the brunching experience. Drinkers will not only be satisfied with delicious flavor, but will also feel good about buying a regionally sourced product created with a conscience. Farmer's Daughter cares about where food comes from and has a deep respect for those that produce it.

Farmer's Daughter Bloody Mary Mix will be a profitable addition to the product lineup of Brawner Brothers Cannery. Partnering with regional farmers demonstrates a commitment to creating quality local products. These relationships provide new markets for producers while reducing food waste from commercial tomato operations.<sup>10</sup>

## Planning Assumptions

1. Farmer's Daughter Bloody Mary Mix will be produced using existing facilities by Brawner Brothers Cannery
2. Local commercial tomato growers will be contracted to purchase non-merchantable fresh tomatoes for use in the production of Farmer's Daughter.
3. Growers will be paid a competitive market price based off of a set discount to the current fresh market tomato prices.
4. Farmer's Daughter Bloody Mary Mix has met all regulatory requirements for human consumption including allergen declarations.
5. Proposition of Farmer's Daughter offers an incentive to both producers and consumers. Producers improve their income and diversify their markets and consumers get quality products and have access to sustainable product that decreases food waste.
6. All local, state, and federal laws and regulations related to the production and sales of the Bloody Mary mix are followed.
7. A majority of the ingredients used will be grown in Tennessee.<sup>9</sup>
8. Brawner Brothers Cannery has an existing customer base from which to draw contacts for the initial product launch.

9. Farmer's Daughter will invest in a mechanical harvester to help decrease labor costs associated with harvesting canning grade tomatoes. Harvesting costs are estimated at \$50/ton of mechanically harvested tomatoes.<sup>11</sup>

## Goals

The first objective for Farmer's Daughter is to be the first choice for Bloody Mary mixes by professional bartenders and at home mixologists. To achieve a goal of 30% brand awareness and a 10% profit margin by the end of year three, a combination of marketing strategies will be employed to leverage production practices, local sourcing, and superior flavor profile. Providing a quality product at a mid-level price point and effectively communicating to consumers the benefits of supporting small, local farmers and the reduction of food waste will reinforce brand and marketing initiatives.

## Strategy Statement

Savory with a story, Farmer's Daughter Bloody Mary Mix is a delicious, award winning Bloody Mary mix that provides additional income streams to local tomato growers while reducing food waste. Farmer's Daughter will take advantage of the trend toward increased mixed drink consumption and home mixology during the Covid-19 pandemic while positioning itself to become the Bloody Mary mix of choice when consumers return to their favorite bars and restaurants.<sup>8, 3, 6, 12</sup>

## Product/Place

Farmer's Daughter Bloody Mary Mix will launch in Tennessee, Kentucky, Indiana, Ohio, and Missouri and will be available in packages of six 8-ounce cans sold through Kroger grocery stores and 52-ounce bottles handled by liquor distributorships in the target market. The targeted distribution partnership with Kroger is a three-year exclusive commitment which comes with guaranteed promotional display space, free promotional advertising and product placement in their weekly ad. Pre-agreed holiday promotions and additional store space are guaranteed for the first two years with expectations of continued collaborations dependent on market performance.<sup>13, 14, 15, 23</sup>

## Price

Six 8-ounce cans will be packaged together and will be sold wholesale to grocery stores at a price of \$13/unit with a suggested retail price of \$14.95.<sup>17</sup>

52-ounce containers will be sold to liquor distributors for a price of \$8/unit.

# Promotions

## Launch Initiatives

Two separate launch initiatives are used to reach the target demographics.

1. The first initiative focuses on retail customers by partnering with Kroger in each of the five target states using 5,000 one-dollar coupons to be distributed through the Kroger grocery pick-up program.
2. The second initiative targets restaurants and brunch establishments in each state. Two restaurants from each state will be chosen to host launch events to debut the product. One thousand units of complimentary Bloody Mary mix will be given to support each party and a financial incentive for the business. Strategic partnerships with local distilleries can further drive interest and sampling.

## Owned Media

- Farmer's Daughter Bloody Mary Mix will leverage Twitter, Instagram, Tik Tok, and Facebook to reach its customer targets.
- Posts on Twitter will be made bi-weekly, and retweets will be made weekly and be made from reputable sources about sustainability, agriculture, health, wellness, and product partners.

## Earned Media

Bloody "Mary" Monday photo contest will be held each week on Farmer's Daughter's Instagram and shared on other social media platforms. The winners will receive a complimentary 6-pack of the Bloody Mary mix and some additional branded merchandise. The contest is scheduled to start three months after launch and run for 6 months. At the end of the 6-month, a measure of effectiveness using engagements will provide evidence whether to pivot to new campaigns to continue with the photo contest.



## Brand Partnerships

- A mutually beneficial partnership between Tito's Handcrafted Vodka and Farmer's Daughter allows for combined marketing initiatives and brand recognition where markets overlap.

- Farmer's Daughter direct consumer marketing at events such as Bartender Showcases, Industry Events, Pride Celebrations, and Music Festivals alongside Tito's will allow for cost-sharing and an ideal sampling of the product.<sup>22</sup>
- With a developed consumer base, solo marketing at events can further brand loyalty.

## Public Relations

- A Health, Wellness, and Sustainability podcast will be created called "A Talk with the Farmer's Daughter" and will be uploaded once a month to connect with businesses and consumers directly. Guests such as farmers, bartenders, restaurant owners, brand ambassadors, partners, and health experts will speak on topics the customer value.
- The podcast will be distributed on Apple Podcast, Spotify, Pocket Casts, and Overcast.com.

## Community Engagement

- Initial client outreach will be virtual due to the limitations from Covid-19. Future engagement will be through "Farm Tour Tasting" events, Sponsor Brunch Parties, and through Kroger's food waste elimination initiatives.
- Virtual outreach includes social media information posts on responsible alcohol use, food insecurity, food wastes, local production, and sustainability.
- Email survey chains that inquire about product usages and check-ins with consumers on how they are doing during the pandemic.
- A "Have the Best and Waste Less" media campaign will be at the center of the social media platforms and engagement and distribution for sustainable branded swag.

## Merchandise

- Branded items such as reusable straws with travel carabiners, reusable water bottles, silicon beer glasses, stickers, and t-shirts will be distributed in campaigns, restaurants and bars, and through partnerships in each target market.<sup>23</sup>
- Prizes, SWAG, and goodies will be used to promote Farmer's Daughter Bloody Mary Mix.



# Financials

Three Year Projected Income Statement for Farmer's Daughter Bloody Mary Mix <sup>24,25</sup>

	Year 1	Year 2	Year 3
Total Revenue	\$3,503,412	\$7,006,824	\$14,013,648
Total Net Rev. from sales	\$2,102,047	\$4,204,094	\$8,408,189
Marketing Exp.	\$558,260	\$669,912	\$803,894
Warehousing/Transportation	\$1,121,092	\$2,242,184	\$4,484,367
Spoilage loss	\$70,068	\$140,136	\$280,273
Packaging	\$315,307	\$630,614	\$1,261,228
Harvesting costs	\$37,025	\$74,049	\$148,099
Profit	\$295	\$447,199	\$1,430,327
Profit as % of sales	0.01%	6.38%	10.21%
Return on Marketing Expenses	0%	67%	178%

Three Year Marketing Budget for Farmer's Daughter Bloody Mary Mix

	Year 1	Year 2	Year 3
CRM	\$2,500	\$3,000	\$3,600
Public Relations	\$1,000	\$1,200	\$1,440
Events and Promotional Items	\$54,370	\$65,244	\$78,293
Earned Media	\$390	\$468	\$562
Paid Media	\$240,000	\$288,000	\$345,600
Website	\$10,000	\$12,000	\$14,400
Marketing Personnel	\$240,000	\$288,000	\$345,600
Monitoring and Measuring	\$10,000	\$12,000	\$14,400
<b>Total</b>	<b>\$558,260</b>	<b>\$669,912</b>	<b>\$803,894</b>

## Monitoring & Measuring

Goal	Objective	Completion of Goal	If Goal Is Not Met
Quarterly goal of 15 new local distributors	Increase distributor totals to support yearly sales increase goals	Continue focusing on consumer profiles and look for market opportunities	Reevaluate consumer profiles and marketing concentrations
Have 10% quarterly increase in earned media	Create a marketing structure that promotes earned marketing	Strive to increase earned marketing by becoming more involved with local communities and digital marketing	Increase presence in communities and market
30% Brand Awareness -20% Aided -10% Unaided	Cultivate brand awareness to increase sales	Continue to increase brand awareness by focusing on paid media	Reevaluate marketing channels and consumer profiles

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