

# MARKETING PLAN

## Situation Analysis

Landscape Inc. is a landscape contractor based in metro Denver. They provide mostly residential, but some commercial, landscaping services consisting mainly of installation and construction, but also does some landscape maintenance, and landscape lighting. The owner is a horticulturist by degree and started the company in 1975. Often working in conjunction with landscape architects, Landscape Inc. has developed a reputation for their expertise on complex, challenging projects. What makes this landscaping company different than the others is their attention to detail, and their permanence in the industry.

The landscaping industry, along with the green industry as a whole, is currently in the midst of a drought, with many metro area cities having a complete ban on new landscaping. This has left the company with substantially less revenue than in previous years. The company has up to 50 employees during its peak season with average annual revenues ranging from \$1.5 to \$2 million. The annual marketing budget for Landscape Inc. is quite small, having never advertised since its inception over 25 years ago, a fact that the owner is very proud of. They do have a their name listed in the yellow pages every year, as well as expenses for several associations the company is a member of including the Botanic Gardens, the Cherry Creek Commerce Association, and the Associated Landscape Contractors Association. Memberships in these associations are used for both networking and continuing education purposes. Landscape Inc. recently developed a web site, which has information about the company as well as educational information regarding xeriscaping.

## Customers

Landscape Inc. has two types of customers, the architects and builders they work with as well as, the end user, which is typically a high-end, residential homeowner. Demographics of the residential homeowners are 35-55 years old, average income \$800,000 to \$1.5 million and up, the typical customer is a highly paid professional like lawyers, doctors, and business owners. The company generally works with both the husband and the wife due to both the large investment they are making, and the effects of the landscaping represents both of their tastes. Once the job begins, Landscape Inc. often finds itself working with the wife because she is generally home during the day.

Reasons people landscape are varied. However, they can generally be categorized three ways:

1. The consumer purchased a brand new home and needs professional landscaping.
2. The homeowner remodeled their house, which destroyed landscaping.
3. The landscaping has aged and needs updating.

The second category of customer for Landscape Inc. is the builders and landscape architects they work with. Landscape architects are usually divided evenly between male and female, and their average income ranges between \$100,000 and \$200,000 annually. Landscape Architects are required to have a degree in architecture. The builders are typically male, and have incomes in excess of one million annually. Many have degrees in construction, or structural engineering, among other options.

## **Strengths**

- High quality work and attention to details are Landscape Inc.'s greatest strengths. Architects often refer homeowners to the company because they know Landscape Inc. will follow their specifications to the letter. There are no short cuts or money saving switches done behind anyone's back. Only the best plants are purchased and all work is guaranteed. Strict oversight of work done by subcontractors insures quality is maintained.
- Professionalism. Landscape Inc. has all of their employees wear uniform, clean clothes to work everyday. They also have very clean, white trucks and equipment on the job site. Customers don't need to worry about being embarrassed in their upscale neighborhoods when Landscape Inc. is around.
- Customer Service. Landscape Inc provides detailed, easy to understand estimates when bidding on a job. They also maintain and monitor projects after completion, oftentimes for up to a year to ensure the customer is happy and the landscape stays in tact. Because they are a smaller company, Landscape Inc. feels they are able to build a better rapport with customers. The owner visits all job sites and has personal contact with each homeowner. There is also always an English-speaking supervisor on staff at each site at all times, making it easier for the homeowner to have questions answered or express concerns.
- Knowledgeable. The company has been in business for over 25 years and the owner is a degreed horticulturist. All supervisors are certified landscape technicians with the Associated Landscape Contractors of Colorado. The labor force is handpicked to ensure they know how to do their jobs well.
- Equipment and trucks owned by company. Landscape Inc. owns much of its own equipment, which not only saves on labor costs and results in a faster completed project, but also shows a degree of permanence to the customer. The company has invested time and money into the large pieces of equipment they own; and in the customer's eye, this may demonstrate an investment into the company other less stable landscape contractors are not willing to make.

## **Weaknesses**

- No marketing. Landscape Inc. has put together a professional brochure they hand out to prospects. There is a lack of sources to generate more work on a continual basis. The company has historically not done any advertising and is very proud of that. Besides an ad in the yellow pages, the company has only produced one brochure that was done in the late 80's. Like many landscape companies in the area, Landscape Inc. introduced a new Web site before the spring season.
- Need to improve follow-up system with customers. After landscape job is complete, company can fairly easily do more business with a customer. Yearly annual maintenance of trees and shrubs and planting and cleaning flowerbeds twice a year are just a few things. Although the company does not do week-to-week maintenance like mowing and weeding, there are other areas they can expand into in order to have a constant income stream year-round. This would also alleviate always relying on generating new customers and would allow for

some diversification when a drought or other natural disaster does occur. Plus, being there, even if it is once or twice a year, keeps the company's name in front of the customer in case there are referrals or they move again. The neighbors may see the clean white truck with the company name on it and ask about services.

- Ongoing communication with past and current customers. Right now there is no formal system in place to notify, or remind, customers it is time for tree pruning or flower bed preparation. Something as simple as a properly timed postcard or a direct mail letter can keep the company name in front of the customer on an ongoing basis. These small reminders are less intrusive than a reminder phone call, which is what the company does now on an inconsistent basis.
- No architect on staff. Looking at the competitors this company deals with, all of them have, within the past few years, added architects to their staff, making themselves a design/build company rather than a build only company. The owner has indicated that outside architects at first did not refer their business to these companies, viewing them as competition. But this is no longer the case and Landscape Inc.'s not having an architect on staff is a detriment to its selling efforts.

### **Opportunities**

- Offer new services. Mainly an annual maintenance system for the landscaping that was just installed. Set it up so Landscape Inc. will automatically come every spring and do certain things and every fall to close the yard down. The sale can easily be made when finishing the initial landscape installation with the customer.
- Either hire a landscape architect or set up a formal partnership with an architectural firm so that you can refer business to each other.
- Hire a salesperson besides the owner. This person should network at association meetings, meet with architects, be the liaison between the company and the outside contractors, etc. Currently the owner is the only person doing this. He is also hands-on with every job, meets with all customers and does the purchasing. While this is common when businesses are small, this company has grown to a stage beyond this. A common problem with entrepreneurs, they feel the need to be hands-on during every stage of a project, which can be impossible as the company grows.
- Expand into other areas of landscape construction, including commercial. Be more persistent in pursuing commercial accounts. While this is not a necessity, it is an option to explore while experiencing a drought.
- Off-season work. There are many benefits for seasonal companies to do off-season work. Keeping employees working year round may help employee-retention rates, will lessen spikes in annual revenue, and can help avoid severe losses in years with climatic difficulties, like a drought.

### **Threats**

- Weather extremes. Colorado is currently in the midst of a drought and new landscaping is prohibited in many cities in the metro area. In addition to a

drought, long winters with the ground being frozen well into the spring can impair landscaping revenues.

- Economy. The country is currently experiencing a recession, and homeowners may be holding off on any large investments right now.
- Competition. In-house design/build firms are becoming more and more common. They are aggressively selling against strictly build firms like Landscape Inc. It is becoming increasingly difficult for Landscape Inc. to sell against these firms. They are also consistently underbidding Landscape Inc. and marketing themselves as a less expensive alternative.

### **Competition**

- Sunnyside Designs is a design/build company that frequently competes with Landscape Inc. The company has a professionally done brochure with an abundance of photos showing the work they have done. They tout the fact that they have earned “multiple awards” for their landscape and architecture work. Their brochure folder has three pages of client testimonials. They also have a mission statement, which is located in several places throughout their materials. Sunnyside Designs emphasizes quality control and having one responsible party for all your landscaping issues. This is an important selling point because from the marketing materials and Web site the company appears large. The web site is also done very professionally and has information on xeriscape and hardscapes as well as your traditional landscaping. This competitor is very similar to Landscape Inc., with the exception of two things. One, they have architects on staff, and two, they do a better job of marketing and promoting themselves. The awards they have earned and testimonials are on all of their marketing materials and enhances their professionalism.
- Designs in the Country is both a design and construction company, meaning they also have landscape architects on staff. Inserted into a folder they mailed two glossy brochures. The larger of the two brochures was very educational on the process one goes through when undertaking a landscape project, thus helping the homeowner know what they are getting into. The folder also contained a personalized letter telling me the company philosophy and establishing themselves as a reputable, fairly large business for the landscaping industry. Designs in the Country does have a web address, but it mostly consists of photos. Photos of their equipment, photos of some of the work they have done. The residential portion of their site is under construction at the time of this paper and there was no educational information on xeriscape.
- Outside Landscaping is another landscape contracting company in the metro Denver area. They work with both residential and commercial companies. Outside Landscaping is also a design/build firm and have a small Web site and simple yet professionally done brochure. Their marketing materials are filled with photos of finished work, demonstrating their creativity and quality of work. Their brochure and Web site and both have pictures of employees, giving the company a personal touch.

## Objectives

### *Objective One*

Increase negotiated work versus bid work. This involves building relationships with architects where they highly recommend Landscape Inc. to the homeowner rather than offering several landscape contractors who all bid on the project. Often these projects go to the lowest bidder rather than the company that does the best work.

### *Budget*

Annual budget for networking dinners	\$ 900
Annual budget for Association memberships	\$1,400
Mailings to targeted audience four times year	<u>\$5,000</u>
Total annual budget	\$8,400

### *Strategy*

*Targeted Relationships.* Targeting specific relationships with key builders and architects is imperative for Landscape Inc. to reach its goal of increasing negotiated work vs. bid work. Strategies to accomplish this objective are:

#### 1. Increase visibility

(a) Educate architects, builders and targeted homeowners on new xeriscape methods of landscaping through mailings, community education seminars, and articles published in targeted journals and magazines.

(b) Develop a reputation in the industry as a xeriscape expert through mailings, community education seminars, and articles published in targeted journals and magazines.

(c) Communicate with research community. Helping other students with research projects may increase visibility among the academic community, leading to more referrals and speaking opportunities, further positioning Landscape Inc. as a leader in the water conservation movement.

#### 2. Form relationships

(a) Attend networking functions that the target audience is known to frequent.

(b) Educate architects, builders and targeted homeowners on new xeriscape methods of landscaping through mailings, community education seminars, and articles published in targeted journals and magazines.

(c) Develop reputation in industry as xeriscape expert through mailings, community education seminars, and articles published in targeted journals and magazines.

#### 3. Enhance reputation in industry

(a) Attend networking functions that target audience is known to frequent.

(b) Educate architects, builders and targeted homeowners on new xeriscape methods of landscaping through mailings, community education seminars, and articles published in targeted journals and magazines.

(c) Develop reputation in industry as xeriscape expert through mailings, community education seminars, and articles published in targeted journals and magazines.

*Existing Relationships.* Maintaining relationships with existing builders and architects are imperative for Landscape Inc. to reach its goal of increasing negotiated work vs. bid work. Strategies to accomplish this goal are:

#### 1. Increase visibility

(a) Educate architects, builders and targeted homeowners on new xeriscape methods of landscaping through mailings, community education seminars, and articles published in targeted journals and magazines. This will strengthen relationships that currently exist.

(b) Develop reputation in industry as xeriscape expert through mailings, community education seminars, and articles published in targeted journals and magazines.

## 2. Maintain relationships

(a) Attend networking functions that target audience is known to frequent.

(b) Personalized thank you notes and/or lunches to show appreciation for current relationship.

(c) Educate architects, builders and targeted homeowners on new xeriscape methods of landscaping through mailings, community education seminars, and articles published in targeted journals and magazines.

(d) Develop reputation in industry as xeriscape expert through mailings, community education seminars, and articles published in targeted journals and magazines.

## 3. Enhance reputation in industry

(a) Attend networking functions that target audience is known to frequent.

(b) Educate architects, builders and targeted homeowners on new xeriscape methods of landscaping through mailings, community education seminars, and articles published in targeted journals and magazines.

(c) Develop reputation in industry as xeriscape expert through mailings, community education seminars, and articles published in targeted journals and magazines.

### *Outcome/Method of Evaluation*

An increase in total negotiated referrals from the 2003 fiscal year to the 2004 fiscal year will demonstrate success for this objective. At the time of the development of the marketing plan for this project, the proprietor does not have this information available, but the proprietor does plan to make this information available before implementing the plan. Evaluating this objective involves measuring both the negotiated referrals from the targeted relationship segment of the target market and measuring the number of relationships formed with the targeted relationship segment and comparing the 2003 fiscal year to the 2004 fiscal year. At the time of the development of the marketing plan for this project, the proprietor does not have this information available, but the proprietor does plan to make this information available before implementing the plan. The second segment of this objective is the existing relationships. This objective can be measured by evaluating the negotiated referrals received in fiscal year 2003 compared to fiscal year 2004.

### ***Objective Two***

Hire an Intern to help with marketing initiatives as well as provide exposure to the university.

### *Budget*

Interviewing and training intern 80 hours at \$50 an hour = \$4,000 annually

### *Strategy*

*Hire an intern to help with marketing initiatives and provide exposure to the university.* An intern will provide Landscape Inc. with assistance in their marketing efforts. The company currently does little marketing, and hiring an intern to help conduct a competitive analysis as well as developing marketing materials will help Landscape Inc. reach many of the objectives discussed in this paper. An intern may also provide knowledge on some of the latest research in the academic community, in addition to increasing the company's visibility within the education community, opening doors for more analysis and research like this project. This not only provides Landscape Inc. with access to the latest marketing techniques, but also gives them the opportunity to give back to the community by providing a student the opportunity to receive hands-on training. Information from this study, and possibly others in the future, will also be provided to the Associated Landscape Contractors Association, thus giving others in the landscape community the opportunity to learn from this research and the insight provided by Landscape Inc.

#### 1. Give back to the community

(a) Hiring an intern allows Landscape Inc. to give back to the community by providing hands-on work experience to students, thus providing them with an opportunity to take what they learn in class and apply it to a "real-world" situation.

(b) Landscape Inc.'s name may come up in the academic community when discussing companies that do community service and work with research in the field, thus strengthening their position as a pioneer in xeriscape and the water conservation movement.

#### 2. Gain access to latest research

(a) Working with an intern allows Landscape Inc. to learn what studies are currently in progress in the academic arena, as well as have an impact on shaping future research.

(b) Landscape Inc. may be able to help with further research in water conservation techniques, or in any academic area related to the landscape construction field, thus strengthening their position as a leader in the water conservation movement.

#### 3. Increase visibility

(a) Increasing visibility in the education community may bring exposure to targeted audience. It will also increase Landscape Inc.'s name recognition in the research community as a company that works with xeriscape materials and provides education to the community, increasing Landscape Inc.'s chances of obtaining speaking engagements and writing opportunities.

(b) Develop reputation in industry as xeriscape expert through mailings, community education seminars, and articles published in targeted journals and magazines.

### *Outcome/Method of Evaluation*

An increase in university contacts from the 2003 fiscal year to 2004 fiscal year, thus resulting in an increase in community education seminars, and referrals for Landscape Inc., which gives the company greater visibility and an enhanced reputation in the industry as an expert. Landscape Inc. will need to evaluate if the attitudes and behavior of homeowners researched are aligned with the landscaping needs of the company. Monitoring the academic research and providing insight into the literature the

intern provides Landscape Inc. will be ongoing throughout the intern's placement with the company. Landscape Inc. will need to judge the applicability of research to its business.

### ***Objective Three***

Increase exposure to the media, further positioning Landscape Inc. as a leader in xeriscape landscaping methods.

### ***Budget***

Public Relations firm	\$5,000
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### ***Strategy***

*Hire a public relations firm to assist with press releases, promoting Landscape Inc. to media.* In addition to speaking engagements, direct mail pieces to targeted and existing customers, and participating in public speaking opportunities, hiring a public relations firm to have press releases done in conjunction with the other visibility improving measures will help to ensure Landscape Inc.'s efforts are made public through mass media outlets.

#### 1. Increase visibility

(a) Educate architects, builders and targeted homeowners on new xeriscape methods of landscaping through mailings, community education programs, and articles published in targeted journals and magazines. This will strengthen relationships that currently exist with both target and existing markets as well as create new relationships through media exposure and name recognition.

(b) Develop reputation in industry as xeriscape expert through mailings, speeches, and articles published in targeted journals and magazines. Increased name recognition within the industry will create a snowball effect with both the media and other industry experts. Landscape Inc. will be the company people, or the media, think of when discussing xeriscape or water conservation methods.

(b) Develop reputation in industry as xeriscape expert through mailings, speeches and articles published in targeted journals and magazines.

### ***Outcome/Method of Evaluation***

This objective can be measured in many ways including measuring an increase in business gained from referrals. Measuring the amount of requests for a quote from the media as well as any increase in speaking engagements the firm is asked to participate in are other ways to measure this objective. At the time of the development of the marketing plan for this project, the proprietor does not have this information available, but the proprietor does plan to make this information available before implementing the plan.