North Carolina Christmas Tree Association – Kick off Meeting

STAR Project
February 5, 2016
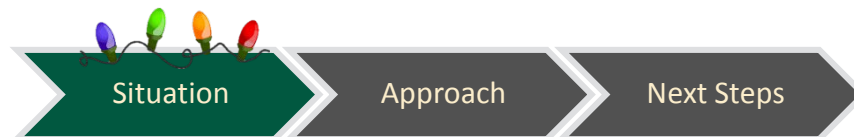
Faculty Advisor: nick_didow@unc.edu   919-962-3189

Project Leader: Rivers_woodward@kenan-flagler.unc.edu
828-342-2864

Agenda

Situation   Approach   Next Steps

The team – Kenan-Flagler

Rivers Woodward - Project Leader
MBA 2017, Healthcare
Hometown: Franklin, NC
Work Experience:

Rilwan Alowonle
BSBA 2017, Consulting Concentration
Hometown: Cottage Grove, MN
Internship Experience:

Lisa Dunleavy
BSBA 2017, Consulting Concentration
Hometown: Naples, FL
Internship Experience:

Grady Hale
BSBA 2018, Computer Science
Hometown: Winston Salem, NC
Internship Experience:

Jose Garakis
MBA 2017, Consulting Concentration
Hometown: Sao Paulo, Brazil
Work Experience:

Yan Ling Lee
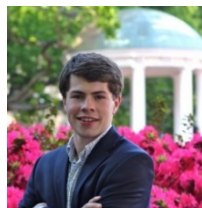BSBA 2016, Finance Concentration
Hometown: Malaysia
Internship Experience:

Michael Barton
BSBA 2018, Consulting Concentration
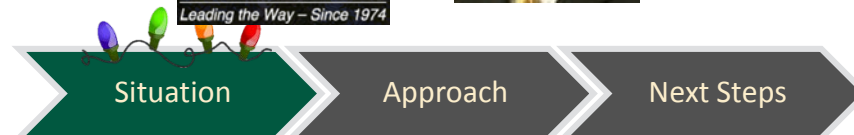Hometown: Chapel Hill, NC
Internship Experience:

Dr. Nick Didow - Faculty Advisor
Hometown: Chapel Hill, NC
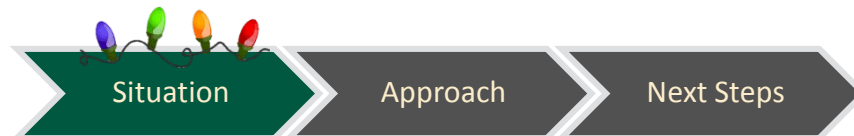Marketing professor at KFBS/ UNC

Situation | Approach | Next Steps

The team – NCCTA

Jennifer Greene

Executive Director

Bill Glenn

NCDA & CS Marketing Specialist

NCCTA STAR Advisory Board

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Situation | Approach | Next Steps

Christmas Tree Association

Agenda

Content	**Slide #**
i. Team Introductions	3
ii. Executive Summary	5
iii. Understanding the Situation	9
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Situation | Approach | Next Steps
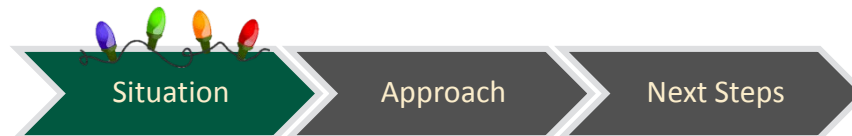
We will explore the following key question:

How can NCCTA develop a 3-year promotional strategy for North Carolina Fraser Firs to increase member value and drive long term association sustainability?
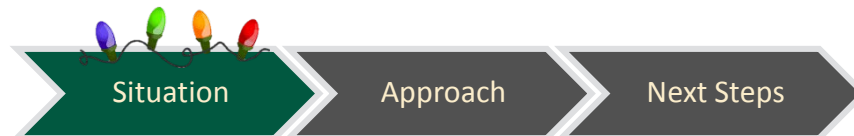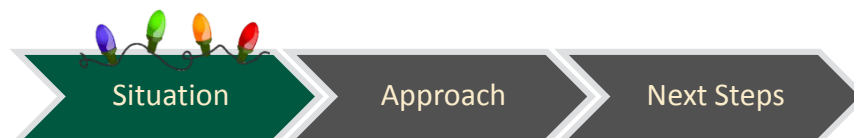
Last year's STAR team provided 3 recommendations:

1. Promotional material content, distribution, and strategy development for each target segment identified in recommendation: *Increase*

2. NCCTA member benefit quantification and promotion

3. Checkoff program impact assessment (conditional on release of Checkoff program specifics)

Situation → Approach → Next Steps

We will focus on the first recommendation

1. Promotional material content, distribution, and strategy development for each target segment identified in recommendation: *Increase*

2. NCCTA member benefit quantification and promotion

3. Checkoff program impact assessment (conditional on release of Checkoff program specifics)

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Situation | Approach | Next Steps

Christmas Tree Association

Agenda

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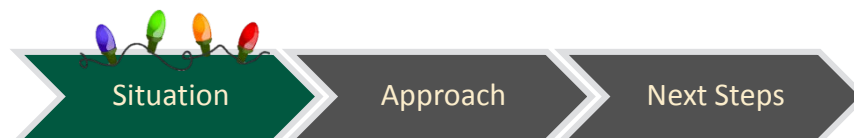
Situation → Approach → Next Steps

Industry Overview

Supply of Trees

Surplus to Shortage

Grower Trends

Small growers diminishing

National Picture

NC is Second Largest Producer

Check-off Program

National & State

Situation | Approach | Next Steps

NCCTA Key Insights

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Christmas Tree Association
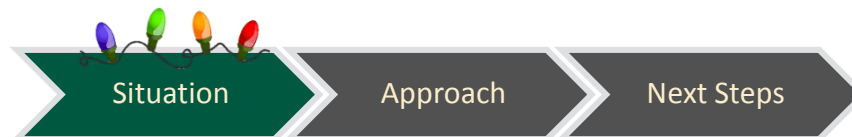
Key Facts

Fraser Fir Unique Qualities	**Real Versus Artificial** Environmental & Domestic
Types of Growers Retail, U-Cut, & Wholesale	**Intermediaries** Breakdown & Overview

Situation   Approach   Next Steps

Christmas Tree Marketing, Consumer Insights, B2B Christmas Tree Market

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Christmas Tree Association
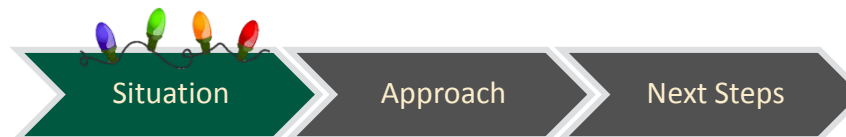
Key Findings of Last Year's STAR Project

How can NCCTA best create value and increase revenue for its members?

Recommendation 1: Demonstrate value for members of NCCTA

Recommendation 2: Convert tree buyers to Fraser Fir

NCCTA membership is falling because of a declining value proposition.
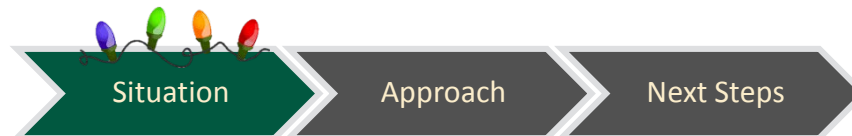
Situation   Approach   Next Steps

Agenda

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Situation → Approach → Next Steps

Christmas Tree Association

"T.E.A.M. F.O.C.U.S." methodologies

TEAM

- Talk
- Evaluate
- Assist
- Motivate

FOCUS

- Frame
- Organize
- Collect
- Understand
- Synthesize

ASSES KEY DEMOGRAPHIC TARGET GROUPS

NEW WAYS TO GAIN PUBLICITY ON LIMITED BUDGET

MEASURABLE EFFORTS TO DEMONSTRATE INCREMENTAL VALUE TO GROWERS
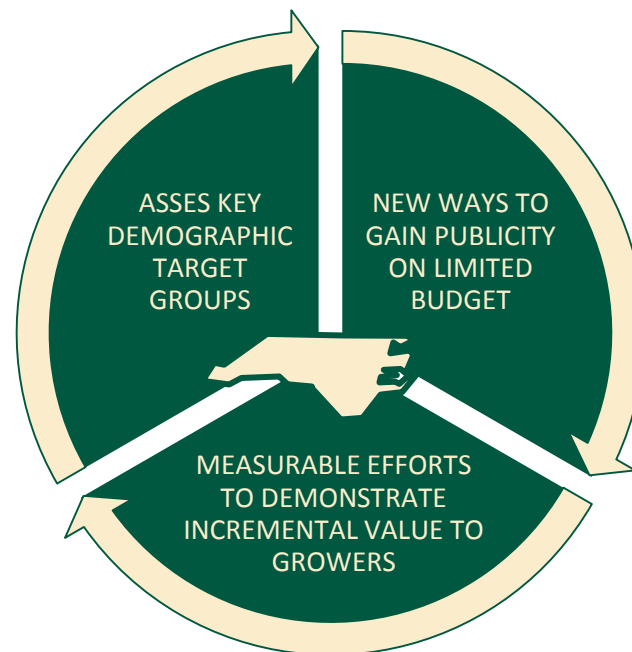
DIFFERENT ACTIONS AND STRATEGIES FROM CHECKOFF

Situation | Approach | Next Steps

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Christmas Tree Association

3 Month Project Milestones
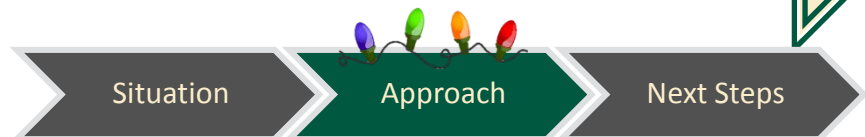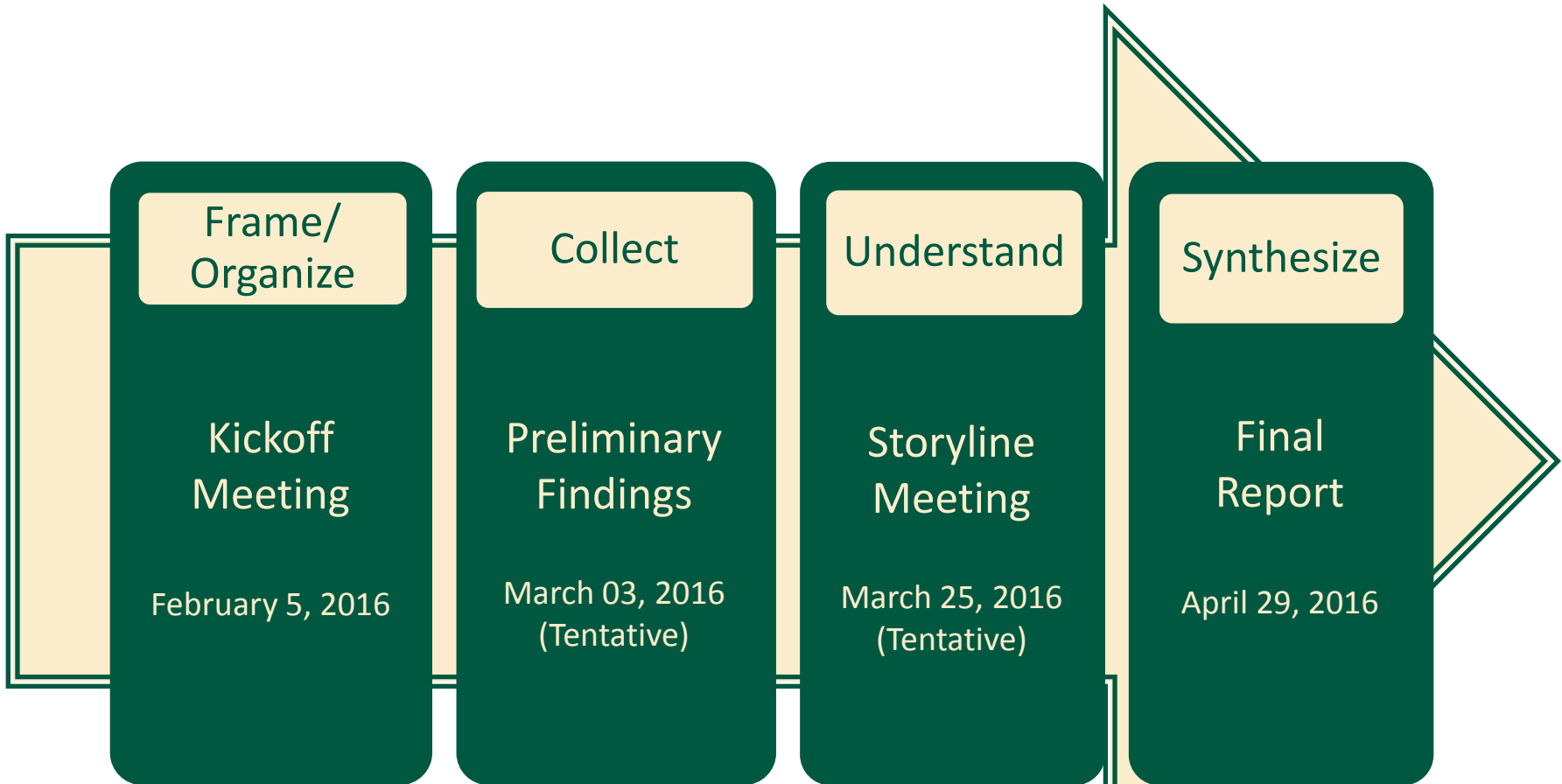
Frame/ Organize	Collect	Understand	Synthesize
Kickoff Meeting	Preliminary Findings	Storyline Meeting	Final Report
February 5, 2016	March 03, 2016 (Tentative)	March 25, 2016 (Tentative)	April 29, 2016

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Situation   Approach   Next Steps

Christmas Tree Association

Agenda

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STAR

Situation > Approach > Next Steps

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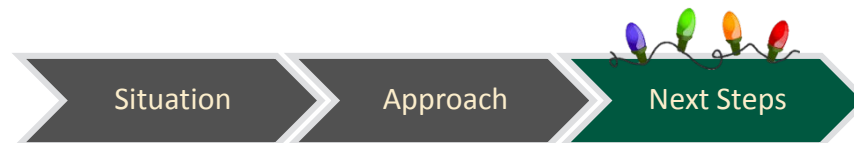
Moving Forward: Building an actionable plan

Key Ideas from Last Year	Components	This Year

Demonstrate

Promotion of NCCTA benefits

Increase

Conversion to Fraser Fir

Educate the Public about Christmas Trees and their impact

Tailor the buying and disposal process to Increase convenience

Convert Customer to a Fraser Fir buyer at the same time as they become a real tree buyer

Leverage the Retailers' direct customer engagement to help convert new real tree buyers

Hone focus on promotional material **content**, **distribution**, and **strategy development** for target markets

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Situation | Approach | Next Steps

Christmas Tree Association NC

Project Scope

IN SCOPE

- Target market prioritization
- Research of comparative regional brands
- Analysis of check-off program
- Creation of promotional timeline
- Recommendations for how to measure implemented strategies
- Recommendation of balance between sales promotions, publicity, and advertising tactics for NCCTA efforts
- Mockups of communication and promotion materials

OUT OF SCOPE

- Strategy to increase NCCTA membership
- Recommendations for price stability of Christmas Trees
- Methods to increase supply of Fraser Firs
- Addressing membership cost structure
- Final products for marketing materials

Situation Approach Next Steps

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Christmas Tree Association
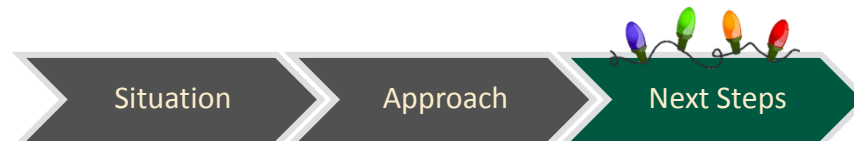
Our approach to devising a marketing strategy will be threefold:

MESSAGE

MARKET

MEASURE

Situation | Approach | Next Steps

We will use a hypothesis-driven approach to gather data efficiently

Key Question

Framework

Early Ideas to Test

How can the NCCTA develop a 3-year promotional strategy for North Carolina Fraser Firs to increase member value and drive long term association sustainability?

Market

Message

Measure

Artificial tree buyers can be converted to real tree buyers

First-time buyers should be targeted before they buy artificial

Focus efforts for market expansion on key cities or regions in the Southeast

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Situation

Approach

Next Steps

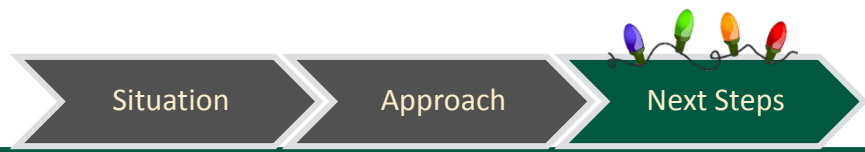Christmas Tree Association

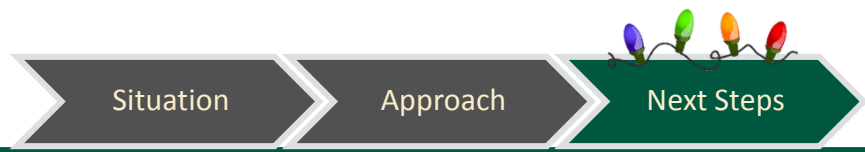# We will use a hypothesis-driven approach to gather data efficiently

Key Question   **Framework**   **Early Ideas to Test**

How can the NCCTA develop a 3-year promotional strategy for North Carolina Fraser Firs to increase member value and drive long term association sustainability?	**Market**	Emphasis on NC Fraser Fir builds loyalty to buying local
		Sales Promotions
	Message	Maintaining a consistent image across platforms encourages customer engagement
		Publicity
		Social media and low cost promotion provide greatest return on investment
	Measure	Every family that buys a Fraser Fir should know what type of tree they have purchased

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Situation → Approach → Next Steps

Christmas Tree Association
NC

We will use a hypothesis-driven approach to gather data efficiently
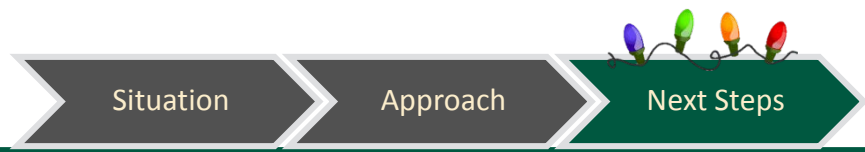
Key Question	Framework	Early Ideas to Test
How can the NCCTA develop a 3-year promotional strategy for North Carolina Fraser Firs to increase member value and drive long term association sustainability?	**Market**	
	Message	
	Measure	Assessing results of each endeavor will aid budgetary decision-making Quantifying and communicating impact of promotional efforts will drive NCCTA value

Situation → Approach → Next Steps

Agenda

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Situation Approach Next Steps

Thank You!

Questions?

More information/talking points

Previous

Key areas of focus that **we have targeted** to date:
- Target populations different from check off
- Finding new ways to gain publicity on limited budget
- Sequence for converting new real tree buyers

Current & Future

Key areas **we need to target:**
- Find out more about check-off program
- Most successful types of marketing efforts so far
- Boundaries of marketing campaign
- Increase local sales vs other regions (where best to focus marketing efforts geographically)
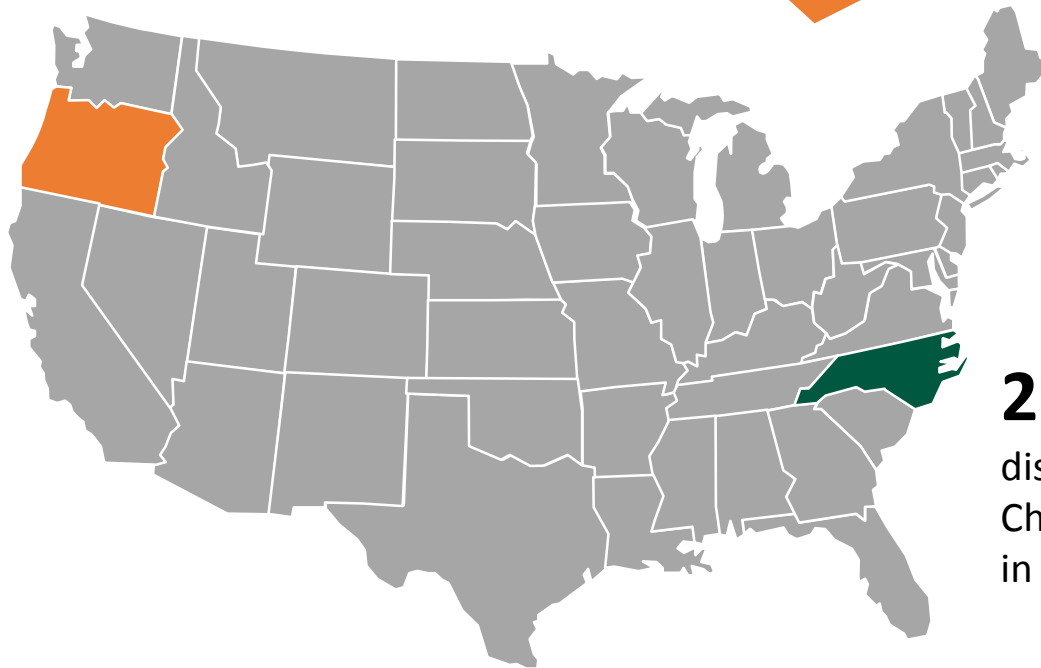- Measuring marketing efforts to demonstrate incremental value to growers

Appendix

NCCTA's biggest competitors are China with artificial Christmas Trees and Oregon
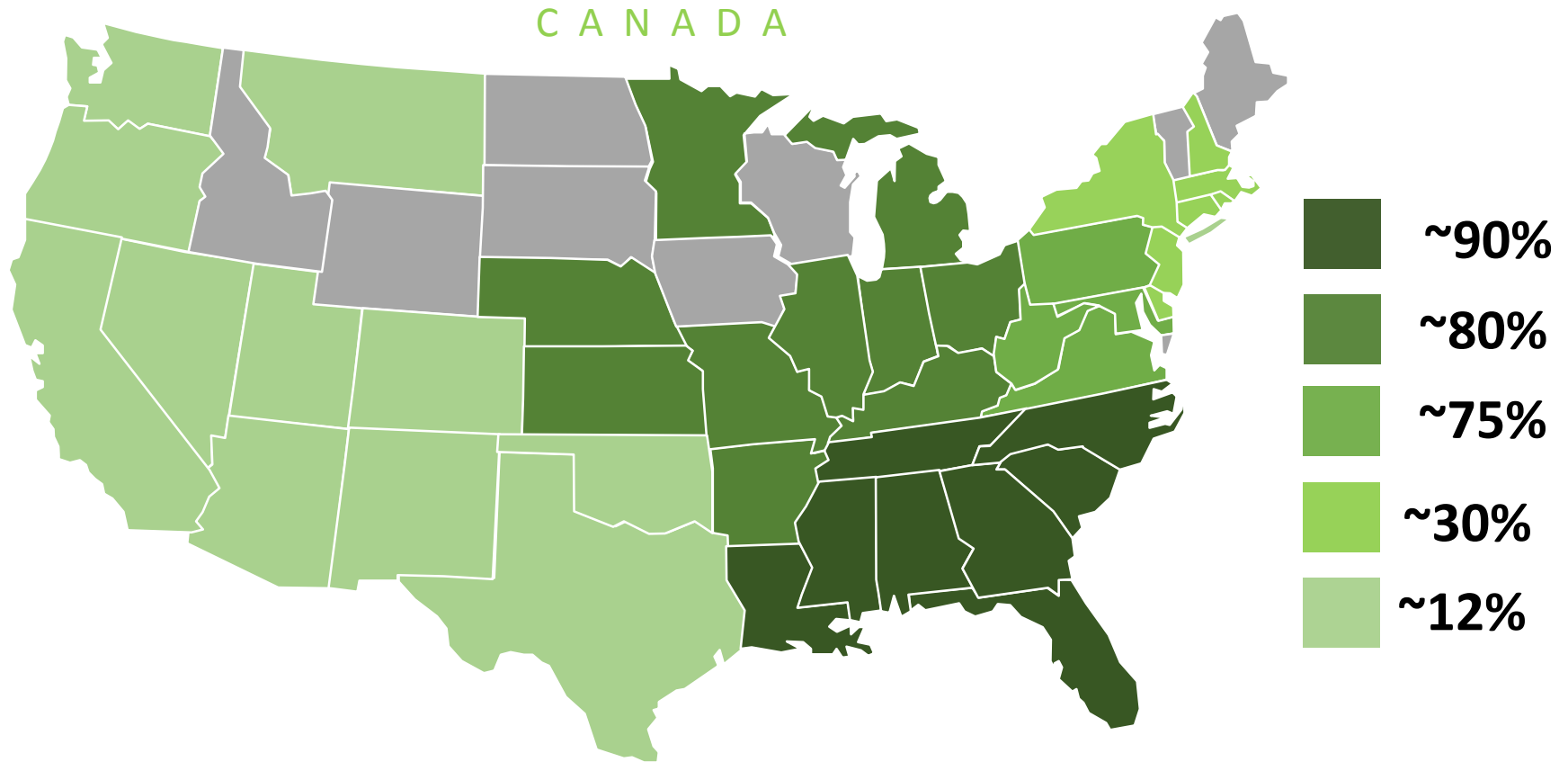
85%
of fake Christmas Trees

Oregon harvests more trees than any other state

China

2ⁿᵈ largest distributer of Christmas Trees in the U.S.

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Christmas Tree Association

NCCTA Key Insights

Christmas Tree Buyers by Region

~90%

~80%

~75%

~30%

~12%

The largest Christmas Tree market is in the southeast

NCCTA Key Insights

Christmas Tree Buyers by Region

CANADA

Northeast

West

Midwest

Mid-Atlantic
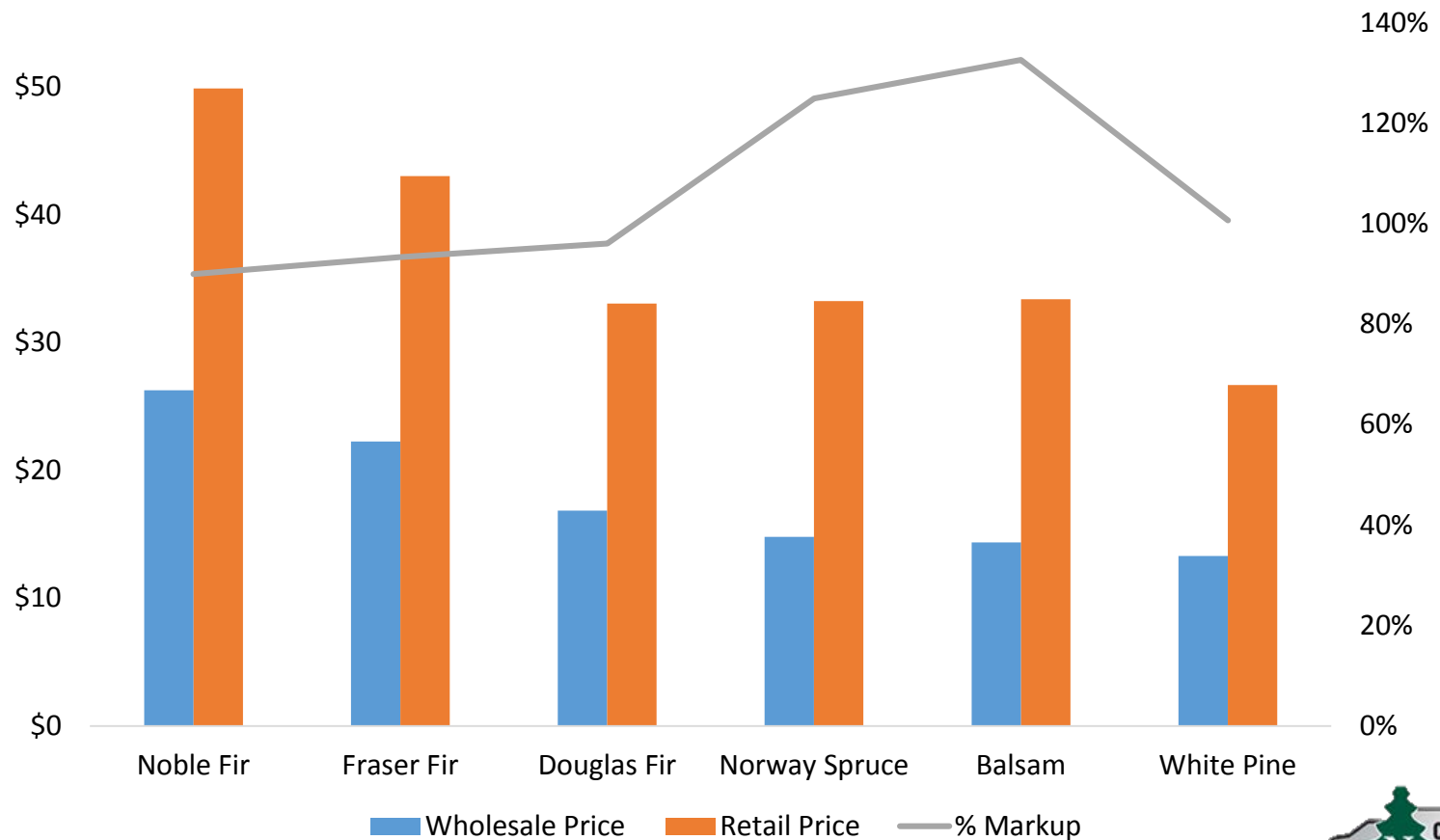
Southeast

- ~90%
- ~80%
- ~75%
- ~30%
- ~12%

The largest Christmas Tree market is in the southeast

NCCTA Key Insights
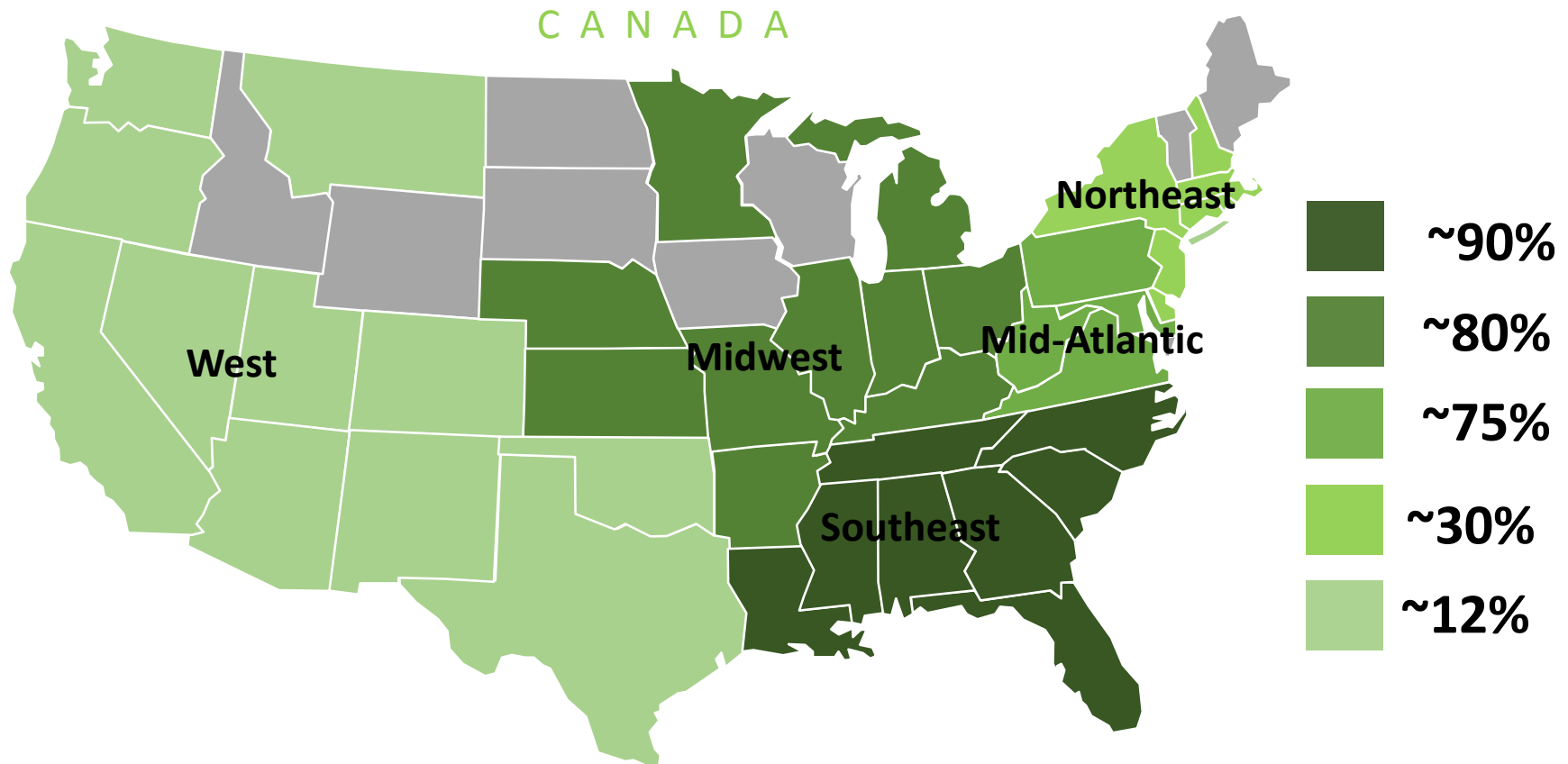
Fraser Firs are more expensive than most trees, but have a smaller mark-up

Fraser Fir Price & Mark-up Comparison

NCCTA Key Insights

Fraser Firs have the most desirable characteristics in Christmas Trees

"The Perfect Christmas Tree"

✓ Needle Retention

✓ Nice Color

✓ Good Fragrance

✓ Dense & Durable Branches (For Ornaments)

NCCTA Key Insights