

**Team 8**

Alina Abeshyan, Bridget Echavez, Michael Gonzales, Kelly Lopez, Rushda Qamar

**Drink 'N Grow Compostable Cups**

<https://mgonzales98.wixsite.com/drinkngrow>

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### **Team Project Part 4A: Logistics and Customer Service**

Drink 'N Grow: the sustainable and revolutionary cup that is great for the environment and leaves consumers feeling empowered and satisfied. Customers can make a purchase of any of the following items: compostable & biodegradable 16oz hot cups with seed embedded at the bottom; compostable & biodegradable Sipper Dome Lid and compostable & biodegradable sleeves. This purchase is helpful for the environment as it is plant based.

Many consumers are intrigued with the logistic process and how Drink 'N Grow is the fastest sustainable and environmentally friendly product. The suppliers that work with Drink 'N Grow have signed a non-disclosure agreement to discuss terms. The non-disclosure agreement was signed by both parties. The terms of the agreement are: provide materials and supplies to create the Drink 'N Grow cup to distribute to warehouses, design logos, and facilitate design decisions between the purchaser and the product supplier without fear of breach of intellectual property. The agreement protects both parties and companies to keep a contract. The following suppliers Restaurant Supply Drop, World Centric, and Webstaurant Store have signed the NDA.

The cost of each product by each supplier ranges from 73.85/1000 ct. to 122.11/1000 ct. Each of the suppliers have different material to create the cups and have different distributing centers. The Webstaurant store charges \$73.85 for 1000 ct, 0.074 for 1 unit. The Restaurant Supply Drop charges \$75.50 for 1000 ct. \$0.076 for 1 unit. World Centric charges \$122.11 for 1000 ct. \$0.122 for 1 unit. The cost of materials is slightly differentiated amongst the different supply companies. Some of the materials that change the cost are the thickness of materials, the thicker the material the higher the cost. Restaurant Supply Drop and World Centric utilizes water sealant. The Webstaurant Store uses dipped paper that is straight and lightly coated with spray wax. The design features also include rolled lip and without rolled lip.

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Items	Suppliers cost for items per company	Shipping/handling cost of contracts	Overall production costs	Packaging
Biodegradable cup	<b>Webstraunt</b> \$73.84/1000ct. .073/1 <b>The Restaurant Supply</b> store \$75.50/1000 ct. .075/1 <b>World Centric</b> \$122.11/1000ct. .122/1	<b>Shippo</b> \$150/1000 shipments unlimited weight	<b>Employees</b> 15 part time runners minimum wage \$12.00 CEO/CFO 20 % of profits	<b>DIY Design packaging</b> 0.32-.045 per piece
Biodegradable Sipper dome lids20s21	<b>The Restaurant Supply</b> \$48/1000ct. .048/1 <b>World Centric</b> \$55.20/1000 .055/1	<b>Sendle Pro</b> min \$350/2000 shipments unlimited weight & internationally	<b>Marketing:</b> Social Media, send items to influencers for free. Cost of item is less than \$1.00 per influencer USPS Marketing Mail Flats: .29/1 DIY Designs 0.32-0.45 piece Purchased List: .02-.30 household	<b>Hero Packaging</b> \$343/1000ct . 1/.343
Biodegradable sleeve 021	The world Centric \$55.20/1000ct .055/1	<b>Sellbrite</b> \$100/150 packages a month min and domestic shipping	Rent for facility \$2000/month Utilities \$500/month Insurance \$100/month Inventory 10,000 cups with packaging est. \$55200	

The biodegradable lids that are made to fit each cup as a glove, the Sipper Dome Lids, are supplied by Restaurant Supply Drop. The patent is pending although an additional contract between the two parties has been signed. The lids cost \$48/1000 ct. which is \$0.048 for 1 unit. The actual product of the sleeves are purchased by World Centric which charges \$55.20/1000ct. 1 unit costs \$0.055. The sleeves are made with biodegradable material in which World Centric completes the orders and designs.

As each of these suppliers provide the product, the company's fulfillment on procurement is done in a special factory in order to accommodate our needs. The object will be procured by combining bamboo, soybean, and renewable corn starch. We will ship our products with recycled materials and use renewable energy such as solar as we aim to be a carbon neutral company.

Currently, our company will only offer one size (16 oz) to begin with. Initially at the start of developing our company, we plan on having about 10,000 cups, lids, in our inventory. We want to maximize our profit margins by avoiding having excess units in order to have a lower cost of

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goods sold and therefore, lower deductions against our total income from sales. Having inventory would allow us to fulfill orders and prevent prolonged back orders. Orders will be taken through our retail POS (point-of-sale) system and digital receipts will be sent to our company's email instantaneously. Shopify will be a great resource for us to use to ensure that our orders are processed seamlessly. We will be checking the status of orders daily (preferably during business operations, 9am-5pm). There will be runners who will also fulfill orders that are received from online, then packaged and once packaged another checker will look at the order and ship it out.

We want to use the least amount of single-use packaging as possible, and since our cups are lightweight, we can use recycled & biodegradable materials to protect our products while they are in transit. Zero waste packaging essentially refers to a system of packaging where all materials are utilized, reused, or recycled, so there is no waste product. HeroPackaging's compostable HeroPack Mailers is a reliable company. For 1,000 units, the cost is \$243. Despite this high cost, we are eligible to receive a bulk discount and we feel that this company aligns with our values and business model. The mailers also have a double adhesive strip so that our customers can reuse our packaging if they would like. Our procurement strategy will be seamless by having constant communication with this packaging supplier in order to meet our needs while also remaining within our budget.

We will be utilizing USPS, FedEx, UPS, DHL dependent on where our consumers are located and will be charged a standard shipping rate of \$3.20. To lower costs down we will have contracts and the consumer will be responsible for payment of shipping. If consumers spend over \$100 dollars, they will be eligible for free shipping, as contracted with our shipment process.

Shipping suppliers that will be used from different parts of the world to fulfill orders are the following: Shippo, Sendle Pro, USPS, DHL, FEDEX. The top three shipping suppliers that our company will utilize to ship domestic and internationally is the following: Shippo, Sendle Pro, and USPS. The Drink 'N Grow products that are most popular are the Drink 'N Grow 16-ounce cups and the biodegradable Sip Lids, which come in two designs. The charge for shipment to consumers will be \$3.20 standard fee and if the consumer spends \$100 dollars or more, they receive free shipping. The cost for the company depends on volume of orders, location, amount of orders.

Drink 'N Grow will become one of the fastest selling biodegradable cups due to its sustainability and positive impact on the environment. The cost to make a standard 16 ounce cup averages to be .268 cents for 1 unit with a lid. To include a cup sleeve, which is optional will cost 0.273 to make for 1 unit. To include shipping costs which will come to an average of \$0.13 per cup to ship. The total cost to make a Drink 'N Grow cup with a biodegradable lid and sleeve to ship domestically will cost \$0.398 for 1 unit of each. The cup will sell for \$15.00 with a \$3.20 shipping fee to any place domestically. To take into consideration the monthly costs for contracts with distributors, shipping companies, and our suppliers, the profit margin ranges between 70-80 %. The total cost for a consumer to purchase a cup, lid, and sleeve with the \$3.20 of shipping is \$18.20. The cost for our company to include how much to make the materials in

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and produce is about \$0.398. For labor, rent, and materials, these expenses cost about 25 % of total profits made.

Our company is blossoming which is why it is necessary to emphasize our customer guarantee: If you are unsatisfied at any time during the first 30 days of using our products, you will receive 100% of your money back guaranteed; no questions asked! If you are not satisfied, we are not satisfied!

For customers making a purchase for the first time, they will be eligible to receive a 15% off coupon towards any of our products! We want to cultivate a relationship with our customers by promoting our social media channels and enticing them to follow us on:

- Facebook: Drink N Grow
- Instagram: @drinkngrow
- Snapchat: @drinkngrow
- Twitter: @drinkngrow

We also plan on holding monthly campaigns and giveaways while also providing updates on how we are positively making an impact through our products and actions. We plan on using actual statistics of how we are making an impact by emphasizing our role as a sustainable, zero-emissions company. A great call to action for our customers would be: “Follow us to enter frequent giveaways to win free items and visually see how we are impacting the earth through our eco-friendly products.” An example of a campaign we would like to implement is the “Save our Species” campaign where we will utilize our social media channels to educate our followers about the atrocities plastic causes on wildlife and the environment. This campaign would be held for one week, and on each day of the week we will highlight one way that single-use plastic is detrimental to the planet and animals as well as one solution (including the usage of our products) in order to provide our users with relevant, actionable information.

In addition, we want to implement a loyalty program to increase customer lifetime value and retain customers who will be responsive to our social media activity. According to Zahay, the CRM vision is to integrate the chosen channels and technologies in such a way that customers can make contact whenever they please, through the channels they prefer at that particular time (the customer touchpoint), and receive the information or service they desire without delay, errors, or being transferred from one enterprise agent to another.<sup>6</sup> \$1 is equivalent to 1 sapling (which can be compared to Starbucks stars). Our loyalty program will consist of three tiers:

- Tier 1 (after receiving 50 saplings) will yield a 20% discount of the user’s next purchase.
- Tier 2 (after receiving 100 saplings) will contain a 40% discount off the user’s next purchase.
- Tier 3 (after receiving 200 saplings) will contain a free voucher to redeem any of our products, online or in-store!

We strive to prioritize Omni-channel customer service as well. According to Zahay, 78% of online shoppers say the brand’s reputation for customer service is important when considering a purchase. Channels like tech support, web chat or callback, and email response offer more opportunity to sequence and prioritize contacts for agents to multi-task. We want to focus on web chat or callback and email response since these two channels are relatively inexpensive and demonstrate our dedication to our customers by providing reliable, efficient assistance. We also

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want to utilize our social media channels (preferably Instagram and Twitter) to receive DMs from our customers since millennials are notorious for relying on social media to communicate. Self-service tools will also be beneficial for us to employ on our website. An FAQ page with information on privacy information, returns, tracking orders, and canceling orders will be provided on our site as well as a public forum for customers to interact with each other and answer questions if they have not already been answered (similar to Yelp's structure where users can reply to other users).

### **Team Project Part 4B: Web Design**

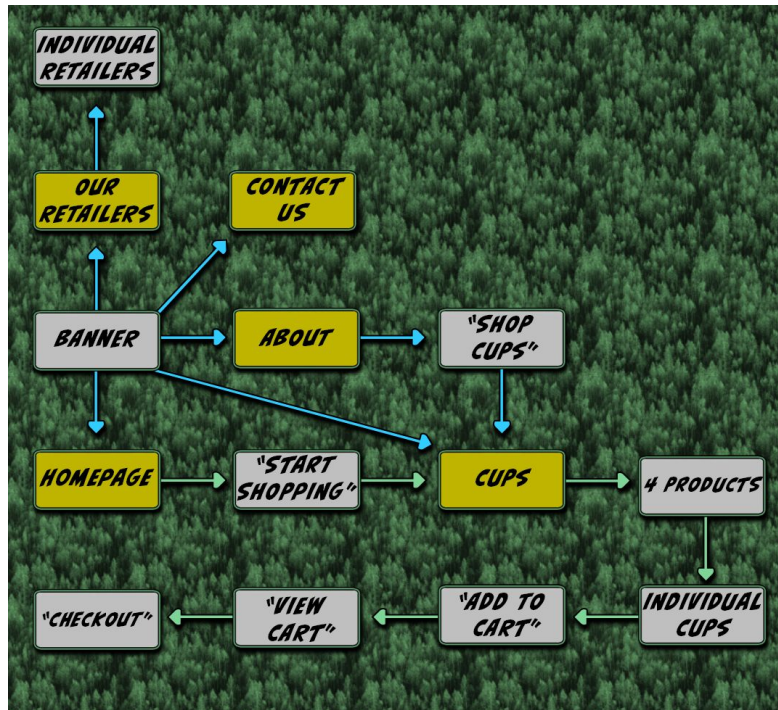
The design objectives for the Drink 'N Grow website is to match our target and position strategy of being simplistic, minimalistic, easy to use, easy to see, and easy to remember. In order to accomplish this, we used simplistic fonts that are easy to read and overlaid the lettering on top of bright, easy to see backgrounds to create an eye catching design for essential buyer sections. It is important to have one section that is the center of attention for each individual page.

On the Drink 'N Grow website, the homepage acts as an initial landing page with an aesthetic and simple layout that pushes the viewer to click the “Start Shopping” button. Under the Shopping button, is also an instructional message prompting the user to click the background trees to view the official Drink 'N Grow commercial. Clicking the “Start Shopping” button sends the user to the cup page that lists the four cups. Here, they can view and select cups they wish to purchase. The homepage is locked to one position on the screen and requires no scrolling to find additional information. There is a simple backdrop consisting of a forest landscape with the Drink 'N Grow logo placed in the middle of the screen. There is also a short description that states the goal of Drink 'N Grow: designing specialty biodegradable cups; and the company's inception date: since 2020.

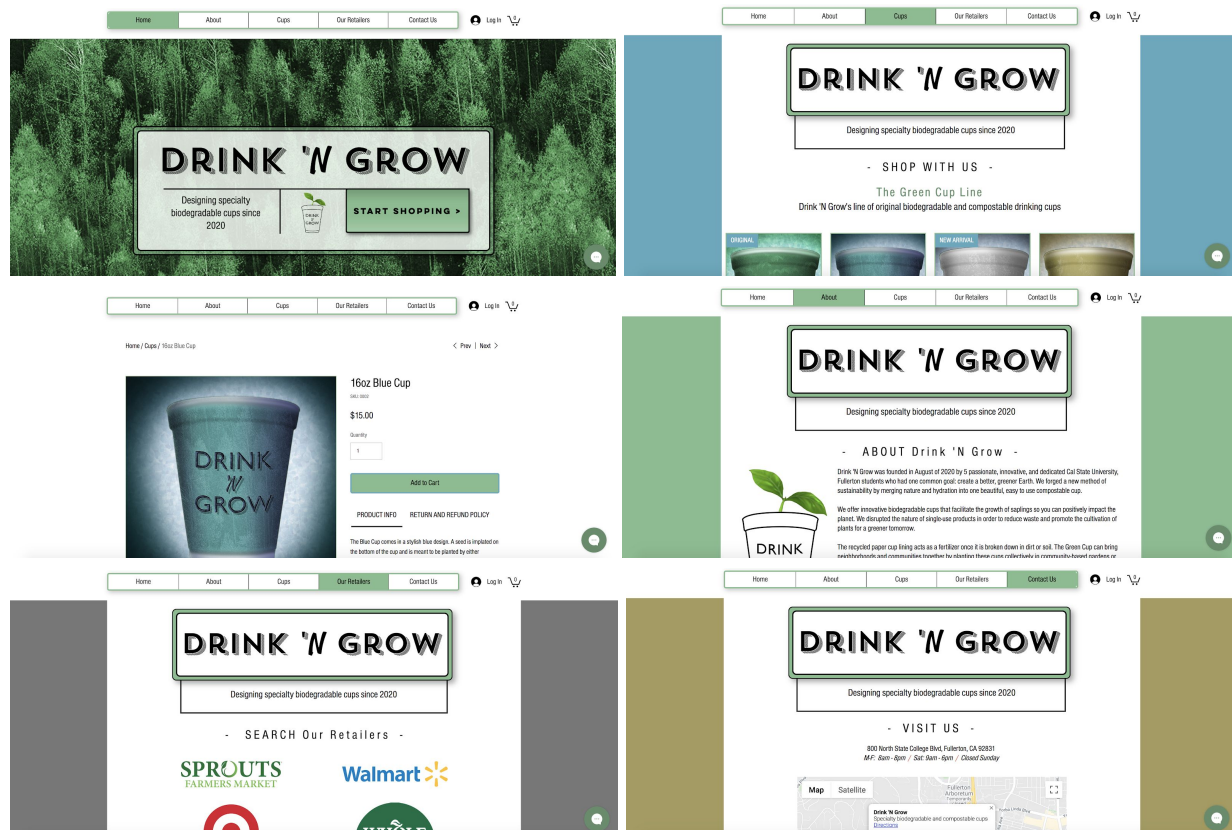
The other pages on Drink 'N Grow's website are the About Us, Cups, Products, Our Retailers, and Contact Us. Each page has a different background representing the individual cup colors with green, blue, grey, and gold coloring the About Us, Cups, Our Retailers, and Contact Us pages respectively. Each page requires little to no scrolling to reach the intended focal point. For example, the About Us page has the Drink 'N Grow website logo and motto on top to remind visitors of the website they are visiting and the company's purpose. Following the logo and motto is the About Us description explaining what the company provides for consumers. It explains the reasoning behind the inception of Drink 'N Grow, what products we offer to consumers, what value we offer to consumers, and ends with an action statement -“There is no better time than now to make our over-industrialized society green again!”- to motivate the user to become ecofriendly and help the environment. On the bottom of the About Us page is a “Shop Cups” button that sends users to the Cups page where they can browse and potentially purchase cups. Even at a glance, the “Shop Cups” button is prominent and serves as a necessary focal point for purchase intent. The remaining pages follow the simplistic nature of the About Us and Homepage with a dedicated background color and simple, easy to read, easy to follow sections.

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### Flow Chart Linking Web Pages



Gold signifies pages





Website: <https://mgonzales98.wixsite.com/drinkngrow>

### **Team Project Part 4C: Marketing Communications**

For our product Drink 'N Grow, the most viable positioning strategy is to target millennials. To reiterate, millennials are the most environmentally conscious generation. According to the Harvard Business Review, millennial consumers in particular increasingly express interests in sustainability. A recent report revealed that certain categories of products with sustainability claims showed double the growth of the traditional option.<sup>1</sup> An article on Environment Journal explained that millennials are now the largest demographic in the workforce. This means that they are changing trends in consumer behavior since their spending power is increasing.<sup>2</sup> In general, the millennial generation consists of conscious consumers. 75% of millennials are even willing to pay more for sustainable products. Millennials' spending habits will only become more influential with time. In conclusion, there are many reasons why they are our main target.

Our first marketing priority is to get ranked high on organic search. In order to get our page ranked high on search engines, we will create a blog about all things relating to sustainable products. Our blog posts will also feature native advertising for our new products to create awareness. To further optimize for organic search, we will choose the right keywords for our product. Filling our page header with those keywords will not be efficient. Therefore, to be successful we will start by understanding our target market and what their intent is when they are searching. Developing a search strategy to find keywords and phrases will be our next step. Next, we plan on developing an effective content strategy to align with our keyword strategy. We would also redesign our website to further include the keywords and content. Registering our site with paid search engines is a crucial step to the organic search strategy. Finally, implementing a paid search campaign in conjunction with our organic search campaign is necessary to hopefully gain more market share.

Our second strategy is to use pay-per-click (PPC) advertising. A benefit of PPC is that it provides immediate results and allows the user to limit spending to a daily budget, but PPC campaigns also must be monitored on a daily or hourly basis because it is easy to lose a top search ranking if another firm outbids you in terms of keywords. Our company is going to use Google AdWords since Google has the largest market share of the traditional search engines. Google will downgrade the Quality Score if there are few click-throughs, quick "bounces" from our website indicating little relevance to the searcher, or intentional advertiser manipulation of the search result process. One of our focuses is to increase our CTR and ensure that the searcher does not bounce from our page. Our website features a button to start shopping on the home page, which makes it easy to locate our products and therefore reduce bounce. Before we launch

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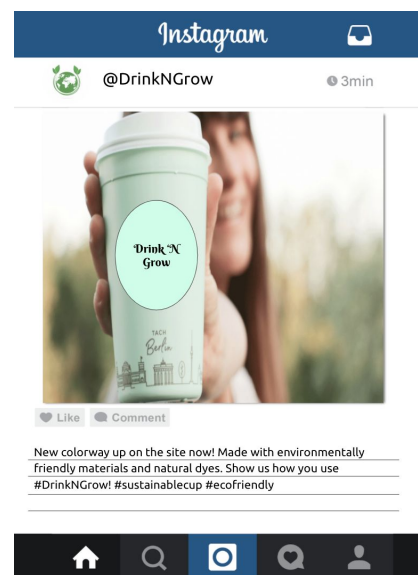
<sup>1</sup> <https://hbr.org/2019/07/the-elusive-green-consumer>

<sup>2</sup> <https://environmentjournal.online/articles/generation-green-how-millennials-will-shape-the-circular-economy/>

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our PPC campaign, some work needs to be done. First, we have to research. We need to determine, using Google Trends, what terms relating to the campaign are being used. Then we need to narrow down the terms to the ones that are the most relevant. One keyword search that will be tracked is specifically for the term “sustainable products” since that is our niche. Second, we have to build. In this step we will develop the campaign by selecting the right keywords, match criteria, and designing ads. The third step is to launch. We will monitor the results closely as the campaigns are running and then monitor the results and refine for future advertisements. In this step, we will use A/B testing to test one advertisement against another. Lastly, we will analyze and report. We will use available reporting tools to understand which ads and campaigns were the most successful and try to determine why or why not. Then, we will make a note of any changes for the next campaign. By using Google Analytics, we can determine how traffic arrived to the site, whether from search engines or other referral sites, and which keywords have been the most effective. Specifically, our PPC main ad campaign will utilize the advice from “Winning the Battle for Attention”, which stated the specific structure for a 4 line advertisement. Our first line will include 25 characters and say “Drink ‘N Grow, Save Earth” For the second line with 35 characters it will state, “Our cup strives to stop pollution!” The third line will state, “Join the green cup movement today.” The fourth line will simply feature our website link. We will create split ads in order to conduct A/B testing. Fortunately, Google AdWords has a built in A/B tool.

Our third strategy is social media marketing. Social media marketing can help us reach our target demographic. Our social media accounts consist of Twitter: @drinkngrow, Facebook: Drink ‘N Grow, Instagram: @drinkngrow, and Snapchat: @drinkngrow. Instagram and Facebook are the most important social media we will be utilizing since our target market is mostly active on those networks. An article on Investopedia describes research that found half of US millennials are active on Instagram.<sup>3</sup> A 2020 consumer culture report showed that 77% of 18-34 year olds use Facebook on a daily basis.<sup>4</sup> Facebook is the first popular social media channel for millennials, followed by Instagram. Posting on our business Instagram account and Facebook account is essentially free advertising. Our sample post consists of us advertising our new product with an image we took ourselves. Although, Instagram and Facebook also offer paid promotional advertising aside from regular posting. Utilizing these



<sup>3</sup><https://www.investopedia.com/news/instagram-59-us-millennials-are-active-users/#:~:text=Now%20it%20has%20yet%20another,network%2C%20depending%20on%20their%20age.>

<sup>4</sup><https://smallbiztrends.com/2020/02/2020-consumer-culture-report.html#:~:text=It%20showed%20that%2077%25%20of,Report%2C%2070%25%20use%20daily.>

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two channels for promoted posts will help us reach our target. On average, Facebook advertising costs \$0.97 per click and \$7.19 per 1000 impressions. Instagram ads on average cost around \$0.20 to \$2 per click and \$6.70 per 1000 impressions. While posting our own content on our pages is free, we will have to spend the extra money to make sure our posts are promoted to our target audience.



Our fourth priority is email marketing. Mailchimp is a great option because it will obtain email addresses through our WordPress blog through newsletter signups. Our strategy is to send out emails twice a week. Monday mornings are a good time to send out emails because people are more likely to be checking their emails. Friday mornings for the second email are also efficient since it is the start of the weekend and people check their emails since they have free time. The use of two emails will ensure that users will be reminded about our company before making any grocery shopping decisions and will have sufficient time to consider purchasing our products. Our sample email consists of very clear and concise imagery and wording. We wanted to put out a sleek image to appeal to millennials. Purple and green create a sense of

harmony, which is the look we were going for. Also, the easy use of buttons will create a seamless transition to our products' website.

Our fifth strategy is publicity and word-of-mouth (WOM). One way we will gain our word of mouth will come from handing out free samples at retailers like Sprouts, Whole Foods, Target, and Walmart. When consumers use our product without any financial commitment, it will lead them to spread word of mouth. We will also create dialogue among our target market through our blog and social media by posting relatable content. In addition, our transparency and authenticity will be revealed through our posts showing exactly how we are reducing our carbon footprint and emissions through our production process and inputs being used, which will be featured on our social media pages and blog. When consumers see our transparency and genuinity, they will spread positive WOM.

For affiliate marketing we will be partnering with two bloggers. We will pay a commision to them for promoting our product. Sustainable Daisy is a famous environmental blog where Karen Housel shares her favorite eco friendly beauty, home, and lifestyle products. Having her promote our brand will greatly increase our sales since she was ranked number one by ThredUp as the top environmental influencer to follow. <sup>5</sup>Another blogger who goes by Eco Warrior Princess would

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<sup>5</sup> [https://www.thredup.com/bg/p/top-20-eco-bloggers-to-follow?tswc\\_redir=true](https://www.thredup.com/bg/p/top-20-eco-bloggers-to-follow?tswc_redir=true)

be another great affiliate to have. Her blog features sustainable beauty, wellness, lifestyle, and fashion.

Finally, the only traditional advertising we will be utilizing is direct mail. This is the most reasonable option since our target market, millennials, typically do not read printed media like newspapers. Due to the everlasting essentiality of mail, and since people are home more during quarantine, we think it would be advantageous to send ads through direct mail. Studies suggest that “hard copy marketing” is simpler for people to process and recall. It helps that they may spend more time reviewing direct mail, such as enjoying the ability to turn it over in their hands, than online messages.<sup>6</sup>

Two marketing communications we will not be utilizing is directory listing and viral marketing. While there is merit in utilizing a directory listing, we decided it is not right for our company since we would rather keep up with current trends. According to the Zahay and Roberts textbook, directories have declined in importance in terms of SEM with the rise of search engines.<sup>7</sup> Viral marketing can also be hit or miss, so we decided it would be best to put that strategy on hold. Viral marketing can work well, such as the ALS campaign, but our priorities are elsewhere. There is not much research on the reliability of viral marketing campaigns. Our efforts are better utilized for SEO or PPC.

The total budget for all the chosen marketing communications is \$49,657.38 per year. While this is more than 5% of our revenues (with 15,000 sales), we feel a need to have strong marketing in order to grow our sales. According to “Winning the Battle for Attention”, the cost of an effective search advertising campaign will cost less than the issues we will deal with with insufficient and inefficient advertising. The first order of business with organic search, is to get our site registered with Google.<sup>8</sup> Registering our domain with Google is free, quick, and easy, which is a benefit for our budget while we start out as a small business. One of the most effective tools for increasing SEO, is creating a business blog. Research from the WordPress website indicated that a business plan for a blog with a custom domain name, drinkngrow.blog, costs \$300 per year. WordPress is easy to use and the investment is justified for our custom blog domain since they offer custom plugins, advanced SEO tools, and Google Analytics to track your metrics.<sup>9</sup> We chose this as our top priority since it is relatively cheap annually to optimize your website, and it is relatively simple. The payoff is the appeal to our business.

Our second priority is PPC, since it is advised to complement SEO with a paid search campaign. Daily budgets for PPC vary. The overall average cost per click for Google Ads is anywhere from

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<sup>6</sup> <https://smallbusiness.chron.com/advantages-disadvantages-traditional-marketing-25573.html>

<sup>7</sup> Zahay, D. L., & Roberts, M. L. (2018). *Internet marketing: Integrating online and offline strategies in a digital environment*. Cengage.

<sup>8</sup> <https://themeisle.com/blog/submit-website-to-google/#:~:text=Registering%20your%20site%20with%20Google,that%20you%20own%20your%20site.>

<sup>9</sup> <https://wordpress.com/sites>

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\$1.00 to \$2.00.<sup>10</sup> If our company sets our CPC at a low price of \$0.50 and that we would like to get 100 ad clicks per day, we would be spending \$50.00 per day for PPC advertising. If we set our maximum CPC at \$0.50, we will never pay more than that for a click. This also means that we could end up paying less, so it can change, according to Google AdWords. Annually, the cost for this campaign is \$18,000.

Our third priority, social media marketing, is not cheap either. According to Alfred Lua, who is a product marketer at the company Buffer, the average social media budget is anywhere between \$250 and \$350 per day.<sup>11</sup> We decided to spend even lower than the lower end of the average, at about \$50 per day. This price translates to about \$1,500 per month. Annually, this communication costs our company \$18,000. While social media is pricey, it is an effective way to connect with customers, connect with new leads, and more. We believe the ROI will be strong enough to justify this investment. Measuring ROI is one of our top priorities for success measures.

Our fourth priority is email marketing, based on its various benefits. Mailchimp offers different pricing models. Our plan as we just start out is the “Essentials” plan with up to 10,000 contacts a month. This specific plan costs \$78.99 a month, or \$947.88 a year. This plan also offers A/B Testing and 24/7 email & chat Support which is what appealed to our business.<sup>12</sup> With email marketing, we can customize to each customer, which will strengthen our relationships with them. This is an important expense to us since it is essential to connect with our customers and build a strong community.

Although it is our fifth priority, WOM was identified by Forbes as the most valuable form of marketing.<sup>13</sup> The reasoning behind this is because consumers trust WOM above all other marketing communications. Essentially, word of mouth is free, but generating word of mouth is not free. We decided to hand out free samples to consumers, but free samples are not free to us. Webstaurant store supplies 1,000 cups for \$73.85, about \$.073 per cup. We will give out 1,500 cups as free samples in our retailers which are Sprouts, Whole Foods, Target, and Walmart. This will cost us only \$109.50. P. The blog price was stated prior, at \$300 per year.

Affiliate marketing will also essentially cost us anywhere from 5%-25% in commission for our products. According to an article by Magdalena Kukułka, the average cost for affiliate

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<sup>10</sup> <https://www.wordstream.com/blog/ws/2015/05/21/how-much-does-adwords-cost>

<sup>11</sup> <https://buffer.com/library/social-media-marketing-budget/#:~:text=The%20answer%3A,the%20above%20per%2Dday%20costs.>

<sup>12</sup> <https://mailchimp.com/pricing/#plan:essential>

<sup>13</sup> <https://www.forbes.com/sites/kimberlywhitler/2014/07/17/why-word-of-mouth-marketing-is-the-most-important-social-media/>

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advertising is around \$3,000 per month.<sup>14</sup> Our company decided to spend \$900 per month, or \$10,800 per year, since our priority for affiliate marketing is not the highest. Affiliate advertising is important to help drive traffic. Although, we would rather focus on PPC and SMM for our budget.

Our last priority, traditional marketing is fairly cost efficient. Using the company The Addressers, their typical cost of mailing 5,000 pieces can range from \$1,500.00 to \$3,000.00 depending on the type of mailer. The estimated price point for our company is \$1,500. This cost of \$1,500.00 a year can help us reach 5,000 people! While traditional marketing is losing its momentum, it is still a worthwhile investment.

For testing the effectiveness of our different marketing campaigns, we will use a variety of tests. First, A/B Testing to utilize randomized testing by testing two different features of a campaign and comparing the results.<sup>15</sup> In the research portion of the steps to launch a PPC campaign, it is essential to watch results as the campaigns are running and to monitor the results and modify them on that basis. During split testing, the ads will be very different in order to test different variables. To do this, we will have to create a new headline, descriptions, and different URL. This will help us make more informed decisions on which paid search campaigns to run and which lines work best.

Next, Customer lifetime value (CLV) will be used to figure out what the projected profit our business makes from a customer over a period of time; observing micro-moments and touchpoints are important in understanding the customer's journey. CLV also supports marketers' interest in marketing to millennials. Millennials are customers who potentially have a long relationship with a brand. We hope to increase our CLV through social media. According to the Zahay and Roberts textbook, consumers who interact with the company on Facebook (millennials' number one social media network) are likely to already be customers and then become fans, which leads them to buy more and spread more WOM. Stressing our importance of Facebook activity and advertisements will ultimately bolster our CLV.

Then we will examine ROI, the return on investment, which can be discovered by subtracting costs from gains divided by costs, will give us insight to the number and value of leads generated. Specifically, Return on Ad Spend (ROAS) will be utilized since it measures the efficacy of a digital marketing campaign. The higher ROAS we achieve, the better for our business. Google AdWords makes it easy to track ROAS, as it gives you the simple percentage.

Conversion rate, KPIs (Key performance indicators) can be observed through Google Analytics which will reveal our results over time in order to receive reliable solutions as to how we can enhance our marketing strategies. Combining the conversion rate with the bounce rate can portray the quality of traffic that our website is receiving. Google Analytics KPI measures

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<sup>14</sup><https://zeropark.com/blog/how-much-money-do-you-need-to-be-successful-in-affiliate-marketing/#:~:text=In%20general%2C%20there%20is%20no,to%20an%20intermediate%20level%20affiliate.>

<sup>15</sup> <https://support.google.com/google-ads/answer/6261395?hl=en>

performance and is used to monitor, analyze, and optimize user behaviors. KPIs include: sessions and users, new and returning visitors, time on page, organic vs paid sessions, and more. In conclusion, these are all essential tools to monitor in order to keep our site in top shape.

### **Team Project Part 4D: Strategy Revisit**

One recommendation for e-commerce marketing would be to improve SEO on Google so that our product will appear in top results for organic search. Relevant keywords to associate with the description of our product and the company's value could be "biodegradable single-use cups," "sustainable cup," "environmentally friendly food packaging," "eco friendly," "green products," "biodegradable cups," etc. Formulating a short yet informative and unique meta description of the product once it pops up on the search page about our product and its values should be able to capture the attention of those who are searching for the type of product that we offer. An example of a meta description could be "A biodegradable, sustainable single use beverage cup that can grow into a plant once disposed of! Both for environmentally friendly personal purchases or for your eco-friendly business." The title of our site link could be along the lines of "Drink 'N Grow: Biodegradable Cup that Grows Into a Plant!" With a straight-to-the-point description such as that includes main keywords such as "biodegradable," "eco-friendly," "environmentally friendly," and "sustainable cup," we should expect click through rate to increase, thus ranking the product higher on the search page.<sup>16</sup> We could also focus on ensuring that all the information that is relevant to the product will be available on the homepage once a user has clicked onto the page, such as a description and the purpose of the product as well as images. Providing information and main keywords that are relevant to our product on the web page that pops up in organic search will prevent users from being confused about the product and decrease abandonment of the page. An SEO tool such as Google Search Console should be monitored by a team member of the company to ensure that the strategy continues to work and to make improvements when needed. To improve SEO, we will also create a blog. Blogs help with SEO optimization.

Another e-commerce recommendation would be to transcend the confines of our industry and create multiple product lines in order to reach a wider audience - not just millennials. As Gen Z and other generations become more environmentally conscious due to the omnipresence of climate change and pollution<sup>17</sup>, consumers will want to substitute away from single-use plastics and will want more sustainable, reusable products for their home or on-the-go. Creating a few other product lines like reusable utensils, handkerchiefs, and even multi-use towels as an alternative to paper towels could propel us further and create more brand loyalty if we gradually introduce these new items. We could capitalize on our original plant-bearing-cup by embedding seeds at the bottom of biodegradable bowls and plates. Sustainable kitchenware becomes increasingly popular due to COVID risk, resulting in many businesses, especially in the food and beverage industry, to start providing disposable utensils instead of reusing and sanitizing utensils to further prevent exposure of the virus. There is a heightened level of awareness of climate change coupled with the shift in narrative surrounding global warming and emissions due to a new administration creates many opportunities for us to penetrate our market and provide long-term solutions to our customers' needs. In addition, due to the drastic change in

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<sup>16</sup> <https://backlinko.com/hub/seo/organic-ctr>

<sup>17</sup>

<https://www.bigcommerce.com/blog/ecommerce-sustainability/#ecommerce-businesses-are-transitioning-to-a-sustainable-model>

environmental regulations with the new Biden administration, his acknowledgement of climate change and individual actions will create even more space for us to thrive in our evolving industry. Although emerging competitors could be a threat, we want to integrate our knowledge of social media marketing (SMM) into our business operations in order to capture our target market through engagement, interaction, and involvement online. Social media would be a good opportunity to reach a wide variety of audience.

Social media gives an opportunity to create brand awareness in both consumers and businesses. We can assume that with a product like Drink 'N Grow, there will be a certain set of values its consumers may have. The nature of the product is sustainability and eco-friendly. Millennials and green consumers are becoming more and more conscious of their impact on the environment, therefore there is an opportunity to create a community on social media with our product<sup>18</sup>. Creating a social media presence could include sharing mini stories, for example, posts about our products and how it aligns with a business who uses our products values and principles. Sharing stories like these can not only improve brand awareness for our products but also for the business that is posting about our product. There is opportunity in this practice in that it could attract businesses to purchase our product then request to collaborate with Drink 'N Grow to share a story about how and why they use our products. We could expect these businesses who request to have Drink 'N Grow to share their story on our social media believe they are going to receive more brand awareness. Another example for sharing posts is how our product can help make a difference in the environment, such as informing the amount of plastic waste yearly created by single-use takeout.. The variety of content shared on social media could keep viewers interested and informed. Another advantage to social media is being able to connect and collaborate with other organizations and movements that promote the sustainability lifestyle. The community has the potential to grow through social media, resulting in higher brand awareness while reaching the goal of brand longevity.

Investing in an e-commerce customer relationship management tool would be crucial. Having a customer relationship tool can especially help nurture the existing clients, such as businesses that buy the product in bulk for example. Nurturing these relationships can result in repeat business, as customers who are extremely satisfied are six times more likely to repurchase than customers who are merely satisfied<sup>19</sup>. A CRM tool is valuable as it can store data of businesses and individual consumers that have purchased from us, such as order history, contact information, past interactions, etc. This information can be converted into a profile representing that customer, which can be a useful resource for team members in the business to refer to for future sales. Having information readily available to our business team members can lead to a better experience, whether they are leads or existing customers. Zoho is a good example of an CRM tool that Drink 'N Grow can start off with. Zoho has separate modules such as activities, which entails tasks, events, and calls to help capture such interactions that the business carries out with leads, contacts, or accounts. They offer features such as notifying a team member when an account or lead visits the company's website, what web page they visited, and how long they stayed on said page. The platform offers omnichannel integrations that entails emails, social media, live chats, web conferencing etc. Zoho allows for internal communication between team members as well as provides communication history with leads and accounts, such as outgoing and incoming phone calls, emails, sales, etc. Other features such as analytics like KPI, charts,

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<sup>18</sup> <https://blog.globalwebindex.com/chart-of-the-week/green-consumerism/>

<sup>19</sup> Zahay, D. & Roberts, M.L. (2018) Internet Marketing: *Integrating Online & Offline Strategies*, 4th Edition. Cengage Learning



## Team Project Part 4 A-D

and reports are provided with the accounts as well sales forecasting and performance management. Investing In a tool like Zoho can help support the company in the long term. Zoho has a free package that is limited but other packages range to up to \$12 a user, offering more features.