SPRUCING UP WOODCHUCK

ROJO CONSULTING
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# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIST OF FIGURES</td>
<td>3</td>
</tr>
<tr>
<td>EXECUTIVE SUMMARY</td>
<td>5</td>
</tr>
<tr>
<td>INTRODUCTION</td>
<td>8</td>
</tr>
<tr>
<td>HOW TO COLOR THE LEAVES</td>
<td>9</td>
</tr>
<tr>
<td>CURRENT MARKET SEGMENTS</td>
<td>10</td>
</tr>
<tr>
<td>DEMOGRAPHICS</td>
<td>10</td>
</tr>
<tr>
<td>CONTINUING AND EXPANDING CORPORATE GIFTING</td>
<td>12</td>
</tr>
<tr>
<td>FROM MOMENT TO MOMEN(TREE)UM</td>
<td>14</td>
</tr>
<tr>
<td>SOCIAL MEDIA PRESENCE</td>
<td>15</td>
</tr>
<tr>
<td>CAMPUS BRAND AMBASSADORS</td>
<td>17</td>
</tr>
<tr>
<td>FINDING A NEW TERRI(TREE)</td>
<td>19</td>
</tr>
<tr>
<td>CURRENT SUPPLY LOCATION PROBLEMS</td>
<td>20</td>
</tr>
<tr>
<td>POTENTIAL NEW LOCATIONS FOR THE LUMBER SUPPLY</td>
<td>20</td>
</tr>
<tr>
<td>WITH NEW LOCATIONS COME NEW TREES</td>
<td>22</td>
</tr>
<tr>
<td>HOW TO PLANT THE FOREST</td>
<td>23</td>
</tr>
<tr>
<td>ROOTING FOR LOWER COSTS</td>
<td>28</td>
</tr>
<tr>
<td>STICKING TO THE SCHEDULE</td>
<td>34</td>
</tr>
<tr>
<td>LEAVING THE FOREST</td>
<td>36</td>
</tr>
<tr>
<td>APPENDIX</td>
<td>38</td>
</tr>
<tr>
<td>WORKS CITED</td>
<td>44</td>
</tr>
</tbody>
</table>
LIST OF FIGURES

FIGURE 1
GROWTH OPPORTUNITY MATRIX

FIGURE 2
WOODCHUCK LUGGAGE TAG

FIGURE 3
US POPULATION BY GENDER AND AGE

FIGURE 4
PERCENTAGE OF SOCIAL MEDIA USERS BY AGE

FIGURE 5
SAFETY FROM WILDFIRES BY STATE

FIGURE 6
PERCENTAGE OF OREGON'S GDP FROM THE FOREST SECTOR

FIGURE 7
BRANDS OF PHONE CASES USUALLY BOUGHT
The Main Tree
Executive Summary

New and innovative products are being released into the consumer market every day. Some are ideas previously exercised and others are a new twist on an existing product. For Woodchuck, it is a company who has taken every day consumer items, such as phone cases and notepads, and turned them into something unique and customizable. However, given that Woodchuck is a newly incorporated business, it is finding difficulties in expanding its consumer base and differentiating themselves from companies that wish to take up market share. Our suggestion for Woodchuck is to increase its product diversification through material options, market towards Millennials by increasing outreach on college campuses, and increase its supply diversification.

For the first part of our plan, we suggest that Woodchuck increase its product diversification by increasing special corporate orders and differentiating the materials to offer cost friendly products. The materials we suggest Woodchuck offer are plastic and like polymers which can take the place of the sterling silver it currently uses. We believe this will lower total cost and provide a basis for a less expensive product line that markets towards Millennial’s spending habits. Implementation of this part will take a total of three months and requires analyzing the compatibility of the new materials with the current manufacturing machines.

The second part of our recommendation involves increased advertising and setting up a college ambassador on chosen campuses to represent Woodchuck. The social media platforms we suggest be the main advertising are Instagram and Twitter because they are the best market towards Millennials and have tools (such as product links) that can help motivate customers to buy more products. The college ambassador would be given Woodchuck products to advertise about on the campus. The ambassadors will act as a
type of sales person and advertiser combined. Overall, the college ambassador setup will take at most three months and social media changes will take one to two months.

The third and final portion of our recommendation is for the future. When compiling our evidence on the company, we noticed that Woodchuck receives its lumber supply from a single state that is prone to wild fire hazards. In order to reduce the risk of supply shortages, we recommend Woodchuck branch out to other states that have large lumber reserves such as Oregon and Pennsylvania. These two states have a lower wild fire risk than Kentucky, as well as larger supplies. Diversifying supply location will not only decrease risk, it will increase the different types of wood Woodchuck can offer as options. Each state recommended has both the same and different types of wood than Kentucky does and can provide more product diversification. We recommend Woodchuck start implementing supply diversification in 5 years. Implementation itself will take around two years to complete and require the hiring of a contracts lawyer if one is not already on pay.

All three parts of our suggestion play into one common goal: market towards Millennials. Doing this will increase the market share for Woodchuck and allow the new company to gain a foot over its competitors. Increasing its product diversification, advertising on Millennial heavy social media sites, and offering different types of materials all help Woodchuck become a Millennial friendly company. Millennials crave financially safe products that can offer them a way to be unique (Nichols). Woodchucks platform, with addition to our recommendation, is perfect for this new demographic and the chance to show the world what Woodchuck can offer.
The Sampling
Introduction

The format of the proposed idea is a three-part plan, namely product diversification, increased marketing on college campuses, and a supply chain transition in the future, with an end goal of increasing customer base. Woodchuck’s certain strengths include an increasing revenue stream, along with its brand value that has increased due to its constant efforts on environmental sustainability, for instance “Planting Their Millionth Tree”. Also, production costs are not exorbitant due to the same material used to produce its products.

Some areas that need improvement are the prices of its products, along with limitations of product diversifications due focusing only on one target group. A way to combat this is by expanding its marketing network toward Generation Z and Millennials. Introducing new ways of advertising, be it partnering with colleges and fraternities in college or increasing Woodchuck’s social media presence, will not add much cost to Woodchuck. Another potential opportunity is expanding its lumber production out of Kentucky and look at other states. There are many opportunities available to Woodchuck to increase the quantity of customers and lessen the risks involved with production.

The company also needs to tackle and take into consideration some of the issues, such as the increase in costs with a considerable amount of uncertainty the company is going to face on increase in revenues. Because the “Buy One Plant One” is not unique anymore, Woodchuck needs to look at other options, such as adapting to new trends, which include changing its focus on only high-quality metal options accompanying the wood products, introducing new materials in order to encourage the younger generations to buy from Woodchuck. By changing the types of products sold, advertising to other generations, and changing the location of the lumber shipments, Woodchuck can spruce up its current situation.
How to Color the Leaves
Current Market Segments

Woodchuck’s pivotal focus in order to expand in the wood product industry should be through product diversification, based on Figure 1. The matrix includes market penetration, product development, market development, and product diversification which are all relevant variables for our recommendation. There are two market segments that are currently being targeted by Woodchuck: Business to Business (B-to-B) and Business to Consumers (B-to-C). The Business to Business model (B-to-B) pertains towards selling that which occurs amongst firms, instead of selling a product to a consumer. For example, when Woodchuck makes corporate gifts, it is a B-to-B transaction. This specific model is comparatively more complex when compared to the B-to-C model, due to increased decision making and intricacies involved. The Business to Consumer model (B-to-C) refers to the selling of products or services to consumers. Students purchasing wooden phone cases from the Woodchuck website is an example of a B-to-C transaction. Developing the complexities of these types of transactions plays into the variable of Market Development Strategy which is showcased by the Matrix.

Demographics

For demographics, Woodchuck’s current B-to-C products market towards middle aged, married men that are in the higher section of U.S.A. middle class. The way that Woodchuck markets towards that current demographic is by inserting higher end
materials into its products. For example, as we can see in Figure 2, Woodchuck is using pure leather to make its luggage tags which brings the price to $30.00. Other products such as flasks and bottle openers contain sterling silver in the product which raises the price above average for the individual item. To reach new audiences and increase its Market Penetration Strategy, we recommend Woodchuck diversify the materials that the high-end products are made of. For example, replacing the leather with plastic or silicone provides a “low price point” and “more color variability” (Schurman). We believe that offering the options of different materials not only increases customization ability, but also caters towards the new demographic that Woodchuck should look at.

The new demographic that we recommend for Woodchuck is the younger aged Millennial and older aged Generation Z populations. This means that the total population ranges in both genders from ages 18-24. As seen from Figure 3, the new targeted age group has over 30 million new potential customers. Robin Nichols, from AB Tasty, stated that “personalization and customization are the two of the best marketing strategies for Millennials”. This makes Woodchuck’s customizing business model perfect for the new demographic. Yet, given the fact that Millennials define financial stability as “the ability to pay their bills”, the expensive prices of Woodchuck’s products aren’t conducive to Millennial habits (Cussen). However, with the addition of new material options discussed above, prices for most products have the potential to decrease to be
within Millennial’s price range. With this development, Woodchuck’s net income has the potential to multiply with the increase in revenue from sales and the decrease in costs from using cheaper materials. Strategies for marketing towards this new demographic will be explained in the next part of our recommendation.

![US Population Distribution, by Age Group and Gender](image)

**Figure 3**

**Continuing and Expanding Corporate Gifting**

As a majority of Woodchuck’s business is in corporate gifting in the Business-to-Business sector, it is important for the company to continue to add products that will lead to increased revenue. Existing customers should have the option of new products to promote customer loyalty and continued purchases. Eighty-five percent of Woodchuck’s revenue is from Business-to-Business corporate gifting, but increased revenue can be made through this market. This can be done by creating special products for specific businesses, which would lead to more exposure of the uniqueness Woodchuck can supply. Increasing awareness of Woodchuck’s corporate product customization can lead to an increase in customers. Having already worked with brands such as Red Bull, Land Rover, and Fender guitars, these companies are examples other businesses can look to when purchasing corporate gifting.

The products Woodchuck could introduce includes wooden calendars, picture frames, magnets, coasters, and decorations like Christmas ornaments. Woodchuck should then look for analytics to see how interested businesses would be in these products. Analytics could include surveys that ask about contentment with the product, the
service, and anything customers wish the product had. These analytics help businesses understand what products and services their consumers want and need (Davie et al.). Also, according to Davie et al., consumer needs are becoming more diverse on a day-to-day basis. Understanding what consumers want can help Woodchuck continuously improve and innovate its products. With these new types of products, Woodchuck should be able to adapt quickly to the needs of its consumers and advertise its extreme range of customization abilities.
From Moment to Moment(um)
Social Media

There are many forms of marketing that businesses use to advertise their products or services. In 2017 in the United States, around 69 percent of adults used some social media platform. Of this 69 percent, about 86 percent of adults ages 18-29 use social media (Figure 4). Social Media is a constant growing advertising strategy and needs to be better used by Woodchuck. Woodchuck has social media pages on Instagram, Twitter, and Facebook. Its pages can be innovated to advertise its business and the products that they create. There are many forms of advertising and several tools offered by the social media platforms currently used that businesses can take advantage of.

![Figure 4](image)


**Figure 4**

Instagram and Twitter are two social media platforms for Woodchuck to use to promote its products. Since the new suggested target market is college students and young adults, Instagram and Twitter would be better options than Facebook for social media advertising because adults older ages tend to use Facebook more. Twitter and Instagram offer advertising and promotion services to help more people visit Woodchuck’s posts and pictures. They also offer a tool that allows businesses to view analytics and create ads from their posts. (Buffer Blog, 2016) The analytics tools allow users to see how many people engage with Woodchuck’s posts and can even show users the genders and ages of the people.
viewing the post. In addition, Instagram and Twitter allow Woodchuck to promote a post or a tweet from the profile pages. Woodchuck just chooses a post to promote and selects a target audience; the post will then appear on users’ feeds that fit the target market previously created, allowing advertising of pictures and posts. Both platforms allow Woodchuck to virtually set up its ad campaign by choosing the audience and how many people it wants the ad to reach, which can have a significant effect on the price of the advertising.

On average, Instagram charges about $6.00 per one thousand views for ads on their platform. Twitter is similar to where you make a post or tweet and then select to promote it, which costs about $1.35 per engagement. (ThriveHive, 2017). Instagram recently created a new feature called shoppable links. Woodchuck could create a post with one of their wood products in it. There is then a direct link option to link the item or items that are in the picture to the Woodchuck website. This offers easy purchasing and simplicity to buying which seems to be a favorable trend in consumers’ minds. Companies like American Eagle, Urban Outfitters, etc. have been featuring users who take pictures with their products and reposting them on their social media pages. This provides an incentive for consumers to post things about products they like and can even act as a form of advertising because of their promoting Woodchuck products to their followers. Featuring more consumers on Woodchuck’s social media pages will also
bring more customers and social media presence because of Millennials’ constant craving for fame on social media.

**Campus Brand Ambassadors**

While social media plays a huge role in the way current college age students receive information, learning of brands such as Woodchuck through first person interactions and brand awareness can be equally as important as the social media counterpart. Increasing brand awareness through ambassadors will increase person to person interactions and open a new aspect of advertising and increase total sales.

A simple yet effective way to market and increase the exposure of Woodchuck’s products on college campuses is through student representatives. According to Joe Commando, there are three main reasons why student reps are very successful and worthwhile. First, Woodchuck would be able to reach a different market segment quickly and easily. College students are always looking for new products that are fresh and interesting. Campus representatives can put these products into potentially thousands of hands of college students. Second, it will generate more sales and brand activity. If college students are interested in Woodchuck’s products, there is a very good chance his or her friends will order Woodchuck’s products, and it will only spread to more students. Finally, campus representatives are a form of unpaid advertising. By providing these representatives with a few sample products, they will gladly market and talk about the journals, phone cases, and any other items Woodchuck has to offer for free.

Increasing advertising presence on college campuses will help to create a new demographic of potential buyers of Woodchuck products. Woodchuck currently does
not allocate advertising to brand ambassadors; however, by increasing the amount of costs allocated to advertising, Woodchuck could tailor to a different set of people rather than male business professionals. This allocation of finances to other target demographics allows for Woodchuck to grow as a brand. As stated in an article by Gerald Crawford, companies have a market with a lot of potential to grow and consistently replenish as long as they know how to market to college students. Woodchuck’s product strength lies in the idea of helping to save the planet by “planting one tree at a time” which is something of high importance in current college populations (Kellstedt). This type of advertising along with product distribution would allow for the Woodchuck line to attract a new demographic and increase overall profits for the company.

Campus ambassadors have the possibility of creating buzz and excitement of the product to a new consumer base. This position allows for the product to be shown and seen by the consumer base while helping market the name of Woodchuck to further increase branding. This increased brand awareness allows for a higher level of sales of Woodchuck product and creates customers who may return for future purchases of Woodchuck products.
Finding a New Terri(tre)
Current Supply Location Problems

Because Woodchuck only receives its lumber from inside of Kentucky, the economic risk involved with retrieving lumber is higher. There have been, on average, 100,000 wildfires annually in the United States (Thiessen). Although most of these wildfires have burned in the western region of the United States, wildfires have appeared in the southern region as well, where Kentucky resides. In fact, as seen in Figure 5, Colin Holmes categorizes Kentucky in the middle in terms of potential wildfires. In the past year there were “348 fires that burned 8,173 acres” of forestry in Kentucky (Division of Forestry). As seen with the previous evidence, the location in Kentucky does not provide enough of a benefit to Woodchuck anymore with the wildfires rampaging through the United States. If the forests that Woodchuck buys lumber from burns down, Woodchuck will be a position that will cost a lot of money. Although Woodchuck currently receives all its lumber from Kentucky and the process to move its locations to other states will cost Woodchuck, the overall decrease in risk for wildfires makes the move worth it.

Potential New Locations for Woodchuck’s Lumber Supply

One area that can be a possible supply location is Oregon. Amber Pariona stated that the state of Oregon “has over 110 miles of forestry” that is made up of different woods from those in Kentucky. As Figure 5 demonstrates, Oregon is within the medium danger zone, similar to Kentucky. The amount of forestry in Oregon and its fire status would
provide Woodchuck with a stable supply source able to withstand environmental threats. In addition, as Figure 6 demonstrates below, Oregon recently had a severe drop in forestry related GDP. This provides an opportunity for Woodchuck to make up for that drop, generate revenue for the state, provide jobs, and increase its economic growth. Not only would this help Woodchuck reduce their supply risk, it also promotes its image of social responsibility and sustainability.

Another area that may be profitable for Woodchuck is Pennsylvania. As seen by Figure 5, Pennsylvania is one of the safest areas in the United States for wild fires. Expanding to Pennsylvania would lower Woodchuck’s environmental risks. Pennsylvania is also a similar distance to Woodchuck’s area of operations, so transportation costs would not experience a high increase. Not only is it an environmentally safe option, Pennsylvania would be an economically safe option as well. The state is the nation’s “largest producer of hardwood lumber” producing over “1 billion” feet per year (Jacobson). The lumber industry in Pennsylvania “provides more than 90,000 jobs” and a state income contribution “exceeding $5 billion” (Jacobson). Because of these economic facts, Pennsylvania is a viable option because it is unlikely that their lumber industry will fall enough to impact Woodchuck’s supply chain. Not only does Pennsylvania decrease environmental risks, Woodchuck’s economic risks would be minimized as well from increasing its supply chain to this state.
With New Locations Come New Trees

Currently, Woodchuck uses the following types of lumber for its products: Cedar, Birch, Walnut, Mahogany, Red Oak (Custom). These woods are prominent in Kentucky but, outside of Cedar, the types of trees used by Woodchuck are not highly available in Oregon. To solve this lack of current lumber types, a potential solution would be to switch to other trees. In Oregon, Bigleaf Maple, Ash (specifically Oregon Ash), and Douglas-Fir are trees available for sale. As shown in Figure 4, Maple trees are on the premium side of trees (Our Guide). Bigleaf Maple holds against most elements and does not split after nails are used but should be used for indoor products mostly because it is not completely durable against all elements (Bigleaf). Oregon Ash, native to Oregon, provides another possible tree type switch. One benefit to this switch is that “[a]sh is among the least expensive utility hardwoods available domestically” (Oregon). The last new tree type recommended to Woodchuck is Douglas-Fir, which “[s]hould be widely available as construction lumber for a modest price” (Douglas-Fir). Acquiring more wood types from outside of Kentucky allows Woodchuck to provide more high-quality wood options to its customers and decreases the amount of lumber needed from Kentucky.
How to Plant the Forest
Creating New Products

Woodchuck can implement these new strategies through a series of steps. For the product diversification portion of our suggestion, implementation has several steps. First, Woodchuck needs to evaluate its current manufacturing systems to make sure that the new materials are conducive with the current machines. If the new material does not fit with the current machines, Woodchuck should investigate to see if adaptation with new equipment would be a financially successful transition. If the first step is a success, Woodchuck then needs to decide which suppliers it would like to receive its plastic from. This can be based on several variables including location of supplier, cost of product and shipment, and type of plastic Woodchuck wishes to use. With the decreased cost of materials, Woodchuck would need to evaluate how much it costs to produce the item and use that information to reflect a cheaper price. After creating current products with new materials comes to fruition, Woodchuck then needs to renovate its website to accommodate the new customizing options and reflect the change in prices. With the addition of the new options, we recommend that Woodchuck implement a survey into an email sent on product delivery date. This survey would allow Woodchuck to gain the knowledge of how the new materials look in the eyes of the consumer and anything that may need adapting. To motivate customers to take the survey, it is also recommended that a prize be given within the constraints of the company’s comforts. This would create a positive feedback loop of constantly updating products to fit the wants of the consumer, which will lead to an increase of repeat customers. In totality, we believe this part of the implementation will take around three months for the first feedback loop to return information.
For the corporate gifting portion of product diversification, Woodchuck will have to run a case by case analysis on whether the transaction brings any financial gain. These cases are known as special orders in the accounting domain. The financial gain or loss of doing a special order must be compared to the financial gain or loss of not doing it. If the factory has enough idle capacity to fill the order, then there is no loss of production. The only loss that could be seen is if any extra materials needed to create the special item cost more than what is made in revenue; however, Woodchuck can negotiate prices to where this doesn’t happen. On the other side, if manufacturing is running to the point where production of regular products must be halted, then there can be an opportunity cost that can prove the special order financially unfavorable.

Implementation for the option of special orders can be done through increased advertising on the website and creative analysis of what products would be best to initially offer. Woodchuck can then reach out to past corporate clients to see if they are interested in the new products. By doing this, Woodchuck also opens itself up to increased branding and awareness. Because these corporate giftings are special cases, there is no timeline to when it can be implemented because the time that orders come in is unknown.

**Social Media Startup**

Woodchuck’s first focus for social media needs to be fixing its Instagram account to promote its products more and show customers using Woodchuck products, especially limited edition and new options available. A Social Media Developer can be hired in order to make ads, monitor them, and choose how to post the ads and promotions. Woodchuck can also choose to hire interns to further increase performance with this field. Another way for Woodchuck to interact with customers on social media is to
promote posting pictures with their Woodchuck products with the incentive of a potential discount and will in turn offer even more advertising and create a community.

**College Campus Ambassadors**

Campus Ambassadors will be implemented in a multipart process over the span of four months. The first and most important stage to successfully implementing ambassadors will be the hiring the candidates that are the most qualified to represent the product. These ambassadors will directly be responsible for being the face of Woodchuck’s products. This should take a month to properly hire and train the ambassadors on the products of Woodchuck. During the first month Woodchuck will also reach out to roughly 50-100 campuses with a hope to get 20-25 campuses to beta test the success of campus ambassadors in various size campuses and places across the United States. The University of Minnesota should be a focus as Woodchuck already has a partnership with the University. Entering the second month after the Beta sites have been established Woodchuck will begin to campaign on these campuses and gather information on college students’ current preferences and any changes students would like to see through face to face interaction and surveys both. These beta sites will be able to test the success of Woodchuck’s product line in the new target demographic and figure out what products resonate well with them. Also, during the second month Woodchuck will reach out to campuses outside of the beta sites and begin to set up new sites for a full ambassador launch. As Woodchuck enters the third month it should begin to expand the campus ambassadors to the next set of campuses with a refined product line that will be tailored to the target demographic of college student. As long as the program of campus ambassadors remain Woodchuck will
collect data every three months to check for a change in the products sought after as well as if there are any shifts internally among the demographic of college age students.

**Lumber Location Variation**

The first two steps to our recommendation would be the focus of Woodchuck for about five years while the company saves money in preparation for changing the location of the supply. First of all, Woodchuck needs to contact owners of forests in Oregon and Pennsylvania to begin the negotiation process and determine the specifics of this switch. To ensure this process is done efficiently and in a timely manner, Woodchuck should hire one or two people.

Woodchuck then needs to decide how much lumber it will receive from Kentucky and how much it will receive from states outside of Kentucky. Woodchuck’s next step is to contact the current Kentucky suppliers to edit the current contracts. The previously mentioned new employee(s) would oversee this revision. To acquire enough lumber to support the growing customer base and hence the increasing sales volume, Woodchuck will need to find more lumber locations.

With new locations, Woodchuck will then need to acquire new transportation methods. In the beginning, while Woodchuck is in the process of adding the new locations, the transportation method to be employed is UPS or FedEx. As the specifics are decided, the transportation method can be changed into renting trucks for the shipments. Renting the trucks reduces the current costs of transportation because the costs of buying trucks are very high. Some potential rental companies are Ryder, Penske, and Hogan which would require contracts that can be created for regular use. The only remaining step is to hire the truck drivers which can be hired from Woodchuck’s website by posting an advertisement. In the end, the new supply system should be fully implemented in about two years dependent on the success of contract negotiations.
Rooting for Low Costs
New Products and New Costs

The introduction of new materials such as plastic and silicon will reduce the production costs for each individual product. According to Plastics Insight, the price of plastic is now 19.1 Cents per pound in the United States. This compares to $1.49 per pound of stainless steel which is the current additional material Woodchuck uses for its products (MetalMiner). Reducing cost can ultimately reduce prices giving Millennials a greater ability to buy the product. This increases sales and the customer base which, in the long run, is conducive to the company’s goal of growth. The introduction of laptop cases using different materials such as ABS plastic and aluminum both have their own advantages. For example, ABS plastic has less weight compared to wood (Piltch, 2016). An estimated price of making a plastic case ranges from $0.10 to $0.50 (Quora, 2016). Wooden Journal estimates range from “8.875 x 6.625” with a surface area of an estimated $15.

Based on the surveys (Appendices E, F, and G) from Business Insider and Survey Monkey, the major reason why consumers purchase phone cases is because of the protection of their phone with the design, cost, and functionality of the phone case as secondary factors for the purchase (Business Insider, 2014). For instance, introducing a phone case that boasts of supreme quality, combines plastic and wood, and adds customized coloring would be a great hit in the Millennials markets. There is also an opportunity to pair with the college campuses on which we have ambassadors to offer their colors and logos for college students to customize with. As can be seen Figure 7 on the next page, more than 45% of phone case customers purchase their product from
places other than name brands. This gives Woodchuck a good size customer base for one of their most popular products.

Costs of Increased Advertising

As stated earlier, Instagram costs about $6.00 per thousand views on an ad for its platform, compared to Twitter which charges around $1.35 per engagement on a promoted Tweet. Because of this, Instagram’s lower costs allow Woodchuck to delegate less money to the social media strategy. The average salary for a social media developer is around $40-50 thousand (Payscale). If Woodchuck chooses to hire interns to help the ad developer, they do not need to be paid or can be paid at minimum wage.

Hiring Additional Employees

The overall cost of brand ambassadors varies depending on how many and where you plan to employ to them at. With looking at campuses specifically, the cost of a college student ambassador is lower than an overall brand ambassador. The salary for a typical brand ambassador has a range of $21,870-$34,323. However, a student product ambassador has a median pay of $18,560 per rep. If salaried representatives are not the direction currently sought-after hourly representatives are also a viable option. Most
product ambassadors on college campuses typically make $8-$12 an hour. This hourly pay would limit the total cost needed to pay someone on salary as most campus brand ambassadors only work a few hours a week. The use of hourly campus ambassadors will allow for the Woodchuck product line to be vocalized to the market of college age students while keeping costs low.

**Supply Location and Lumber Costs**

Not only does the type of wood affect prices, the shipping details have a big impact as well. For the current supplying state, and the two we are recommending be added, the shipping prices vary based on different variables. For Kentucky, “freight rates leaving the state are typically higher than inbound” meaning that Woodchuck is paying more for shipping lumber out of Kentucky (Freight Quote). In contrast, Oregon prices are “relatively stable throughout the year” no matter if the shipment is going in or out (Freight Quote). In Pennsylvania, shipping prices are “dependent on the delivery location” (Freight Quote). For Woodchuck, it would experience lower prices because it is located in a big city. Knowing these facts, Kentucky proves to be the more expensive option for shipping lumber to Minneapolis. This provides financial evidence to support our recommendation to receive supply from different states. No matter the state chosen, there are general variables that affect the cost of shipping. The main ones that apply to Woodchuck are “shipping origin/destination and specifics of what’s being shipped” (5 Key Ingredients). The main concern for the first variable mentioned is if the shipment has to go through interlining, meaning “switching carriers before arrival” (5 Key Ingredients). Interlining the shipment will increase the total costs in an amount that depends on which carriers have been used in the process. The specifics for what are
being shipped depends on “dimensions, weight, and freight class” (5 Key Ingredients). The two options for receiving lumber are in “pallets or cords” which contain different weights and dimensions (Freight Quote). Pallets are “40 inches by 48 inches” and weigh less than cords, but also supply less amount of wood (Freight quote). Cords of wood are priced differently based on “species of tree, water content, and the spacing between logs” (Freight Quote). Another variable that is important to consider is the type of carrier that Woodchuck chooses. There are several different options such as UPS, FedEx, and other specialized carrier companies that have different prices based on the freight class of the shipment.

When looking at the prices available, based on the information available, Walnut tends to cost the most, with an average price of $1188/MBF as shown in Figure 3 (a Recreation of Stewart M. West’s Data from the Kentucky Division of Forestry). Because the cost of Walnut varies so greatly from the other types of wood, Woodchuck would benefit from looking at other sources for lumber. Woodchuck does not have to completely remove Walnut from their supply, but can provide more high-quality options as well, resulting in less demand for Walnut, something that will be discussed more in detail in the next paragraph. Red Oak, another wood used in Woodchuck products, costs an average price of $638/MBF, which shows that Red Oak should continue to be used by Woodchuck (West). Further, the price of Red Oak displays the variance of Woodchuck wood, with Walnut costing almost twice the cost of and that Woodchuck is not against using wood that costs less. Overall, the woods that Woodchuck currently uses vary greatly in price, so it would benefit Woodchuck to consider other trees from states other than Kentucky, such as Oregon.
Further, in terms of new prices, Oregon Ash costs about the same as oak, which Woodchuck currently uses; therefore, Red Oak is an example of a tree type from Kentucky that can be partially substituted out for a tree from Oregon (Oregon). Douglas-Fir costs about $940/MBF (Today’s), a price that, while similar to Walnut, allows Woodchuck to gain another high-quality tree type and branch out of Kentucky.

Although the quality of the wood that Woodchuck provides for the products entices customers to buy its inventory, the price to do so also affects the likelihood of purchase. A question that arises when looking at the financials of Woodchuck’s products is the constant price to purchase a good, despite the variety of the wood options. Even though most customers assume the price of wood remains around the same, each wood actually differs greatly in price. As previously mentioned, Walnut is far more expensive than the other wood options and therefore should be priced differently. By allowing a direct relationship between the cost of the lumber and the price, this in turn allows the lower-quality woods to be priced lower than the higher-quality woods, bringing the younger generations into the customer base.
Sticking to the Schedule
MONTH 1
Begin creating blueprints for new products and forecast costs.
Hire and begin training social media ad developer and campus ambassadors.

MONTH 2
Continue blueprints for new products.
Fix the current social media accounts to appeal more to the younger generations.
Send ambassadors to beta campuses and collect research about college students reactions to Woodchuck products.

MONTH 3
Finalize blueprints.
Begin posting new ads and promotions on social media platforms.
Based on the results from the beta schools, send out more ambassadors to additional college campuses with college students' favorable products.

MONTH 4
Create and begin sending out new products with surveys attached.
Continue all other strategies while adapting with the customers' opinions.

Future Plans
YEAR 5
Hire new employee to begin negotiation process with current suppliers in Kentucky and future suppliers in Oregon and Pennsylvania.

TIME DEPENDENT ON SUCCESS OF NEGOTIATIONS
Contact rental truck companies to create contracts that will be regular.
Hire truck drivers.
Leaving the Forest
Conclusion

As a relatively new company, Woodchuck has the ability to grow and expand into many additional platforms and target several new demographics to continue in its pursuit of number one status for the environmentally conscious wood product producer. The ability to diversify its products will be a pivotal step in being able to reach a new audience and strengthen its current consumer base. Additional products have the ability to pave new paths of interest in the public and help to give Woodchuck the ability to be a step up against its competitors.

Along with diversifying its current product line, adding additional marketing on social media and on college campuses allows for the products to be at the forefront of the new target demographics world. Fixing Woodchuck’s social media accounts to promote the products more will increase Woodchuck’s exposure. Instagram and Twitter consist of mostly teens and young adults, perfectly accompanying the new target market. This will allow for those of the new target market to have first-hand exposure to the products marketed specifically to them. As Woodchuck is a private company with little advertising currently, this social media push will allow for Woodchuck’s products to be brought to the public eye on a daily basis.

Lastly, as Woodchuck expands it will need to diversify its wood provider. Diversifying the wood providers will not only help to lessen the effect of foresting in Kentucky but will also give Woodchuck the ability to have a much wider variety of tree types to choose from when creating their products. Adding new supply locations can also drive competition and allow Woodchuck to receive lower prices for the wood used to create the products. Supplying lumber from outside of Kentucky, coupled with increasing campaigning and a wider product line, will help to diversify Woodchuck and allow for Woodchuck to progress to the forefront of wood product production.
Appendix
## Appendix A

### Before Implementation SWOT

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woodchuck’s corporate social responsibility initiative of “Buy One Plant One” helps as customers are attracted to companies who are environmentally responsible. Woodchuck’s products are also made of premium quality wood and American made, which can appeal to certain customers. Also, its products are customizable, which can be tempting to specific companies and individuals on a large scale.</td>
<td>Partnering with a large environmentally conscious company would help Woodchuck quickly gain brand recognition about its products and “Buy One Plant One” initiative. Since Woodchuck’s products are made entirely of wood, using other materials in new products with wood could create. Woodchuck could also use different types of wood to produce different products from its competitors.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Weaknesses</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woodchuck’s products sell well in the Business-to-Business sector, however, do not sell well directly to consumers. Also, retail space will not help raise revenue as evidence from failing in Target. The audience and target demographic are relatively small and are in a specific niche for the products Woodchuck supplies. The market is aimed for business professionals who can pay for more expensive items. Because the products are high quality and are commodities, they are costly, and customization only adds to the price. Woodchuck also does not effectively market their products and their “Buy One Plant One” initiative enough to potential customers.</td>
<td>Many other companies are implementing social or environmental plans to gain brand recognition and build a positive relationship with customers. Companies including Autumn Summer Co. and others directly compete with Woodchuck and could produce similar products for a cheaper price. Forest fires could decrease the supply of lumber available to Woodchuck, thus raising the price of materials that are used in manufacturing the products.</td>
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### Appendix B

<table>
<thead>
<tr>
<th>After Implementation SWOT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengths</strong></td>
</tr>
<tr>
<td>Woodchuck now has a wider variety of products that will not only appeal to a small target demographic, it will raise B-to-C sales while expanding and retaining B-to-B customers. The new products will target a larger portion of the total population. The improved advertising through social media and campus ambassadors will help generate sales on college campuses and with younger people. The improved advertising will also showcase the “Buy One Plant One” initiative even more. Woodchuck’s products will still by high quality and American made. Using wood from different parts of the country will differentiate Woodchuck’s products, expand its supply base, and grow customer awareness across the country.</td>
</tr>
<tr>
<td><strong>Opportunities</strong></td>
</tr>
<tr>
<td>Woodchuck can look to expand its environmentally friendly practices by looking to do even more than planting trees. Teaming with other companies who give back to the community through environmental work would continue to grow the brand image of Woodchuck. Woodchuck could also create different forms of advertising to appeal to business and grow their B-to-B revenue. Building upon this strength will only grow Woodchuck’s market share. Expanding cost effective products available could only attract more customers and raise revenue.</td>
</tr>
<tr>
<td><strong>Weaknesses</strong></td>
</tr>
<tr>
<td>Woodchuck’s products are still expensive because of the high-quality products provided. Woodchuck will need to rely on customers appreciating its social corporate responsibility to convince people to buy its products. Woodchuck’s products still are not necessities and are often bought as gifts through corporate gifting.</td>
</tr>
<tr>
<td><strong>Threats</strong></td>
</tr>
<tr>
<td>Companies that do not spend as much money as Woodchuck on environmental issues could look to undercut Woodchuck’s prices. Also, no one company has a large market share, therefore, a handful of other companies can rapidly expand and take business away from Woodchuck. Woodchuck also cannot control the availability of wood, making the materials in the products vulnerable to volatility.</td>
</tr>
</tbody>
</table>
Appendix C

Costs of Lumber in Kentucky

<table>
<thead>
<tr>
<th>Species</th>
<th>High ($/MBF)</th>
<th>Middle ($/MBF)</th>
<th>Low ($/MBF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Red Oak</td>
<td>825</td>
<td>638</td>
<td>443</td>
</tr>
<tr>
<td>White Oak</td>
<td>960</td>
<td>690</td>
<td>466</td>
</tr>
<tr>
<td>Hard Maple</td>
<td>825</td>
<td>638</td>
<td>363</td>
</tr>
<tr>
<td>Chestnut Oak</td>
<td>1000</td>
<td>700</td>
<td>425</td>
</tr>
<tr>
<td>Soft Maple</td>
<td>475</td>
<td>383</td>
<td>225</td>
</tr>
<tr>
<td>Ash</td>
<td>875</td>
<td>550</td>
<td>338</td>
</tr>
<tr>
<td>Cherry</td>
<td>900</td>
<td>633</td>
<td>383</td>
</tr>
<tr>
<td>Walnut</td>
<td>1567</td>
<td>1188</td>
<td>433</td>
</tr>
<tr>
<td>Hickory</td>
<td>533</td>
<td>430</td>
<td>300</td>
</tr>
<tr>
<td>Yellow Poplar</td>
<td>575</td>
<td>388</td>
<td>250</td>
</tr>
<tr>
<td>Basswood</td>
<td>300</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Appendix D

Types of Wood Sorted by Quality

VALUE

PREMIUM

MANUFACTURED WOODS

SOLID WOODS

CHIPBOARD

FIBREBOARD

PLYWOOD

PINE

BEECH

ASH

OAK

MAPLE

WALNUT

MAHOGANY
Appendix E

Survey of Prices Customers Willing to Pay for Phone Cases

![Bar Chart: How much did you spend on your last case?]

Business Insider/Andy Kiersz, data from SurveyMonkey Audience

Appendix F

Customer Reasons for Buying a Phone Case

![Bar Chart: What was the main reason you selected the case you currently use?]

Business Insider/Andy Kiersz, data from SurveyMonkey Audience
Appendix G

Reasons for Buying a Phone Case by Gender

Business Insider/Andy Kiersz, data from SurveyMonkey Audience
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