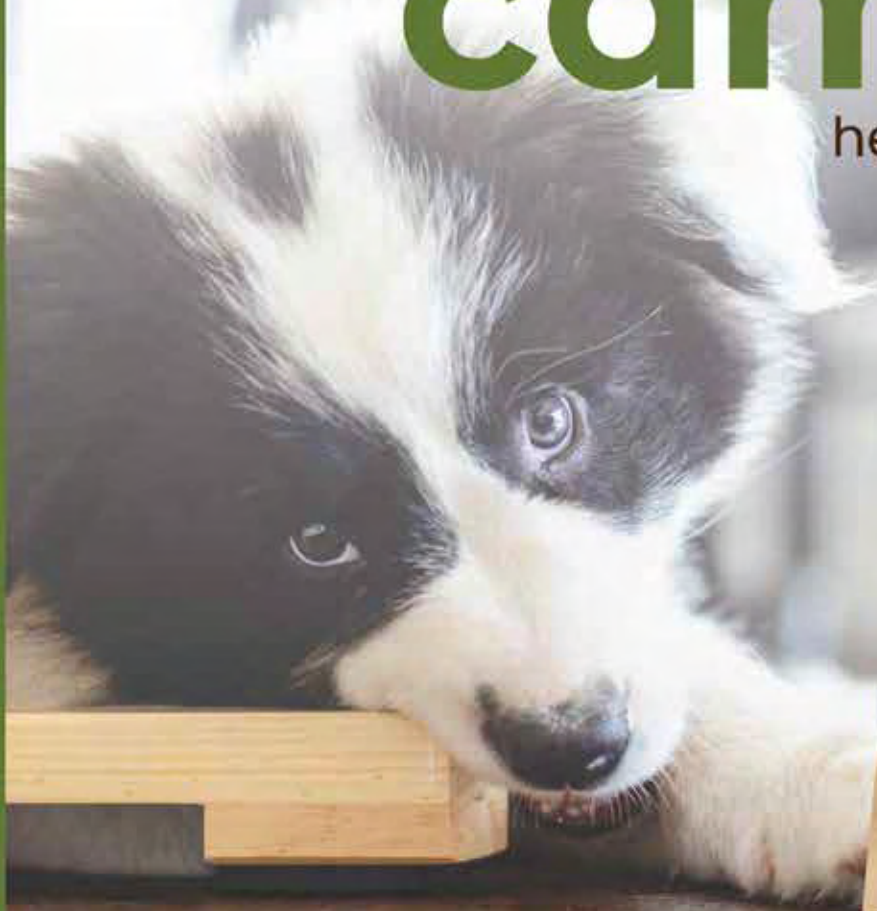


# camilife

healthy. happy. loved.



## 2023 National Agri-Marketing Association (NAMA)

Student Marketing Competition Executive Summary

Presented by the University of Guelph CAMA Student Chapter:

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# Introduction

Canines and humans have had an inseparable bond for thousands of years. Demonstrating fierce loyalty and trusted companionship, dogs have truly earned the title of “man’s best friend”. Because dogs are cherished members of the family, consumers are demanding products that reflect the love they hold for their pups. Camilife, manufactured by Portico Pets, is a camelina oil infused dog treat that strives to enhance the quality of life for our favorite furry friends. Camelina oil, derived from the seeds of the *Camelina sativa* plant, is rich in Omega-3 fatty acids. These acids are important for building strong canine immune systems, improving cardiovascular function, and enhancing skin and coat health to ensure consumer’s dogs are happy, healthy, and loved at every stage of life.



## About The Company:

Portico Pets is a Canadian owned and operated pet food manufacturer based in Guelph, Ontario. Operating in the pet food industry for over 40 years, Portico Pets is driven to provide pet owners with quality pet food options that strengthen the relationship between people and their pets. Portico Pets is currently offering their products through various pet food stores across Canada, through e-commerce channels, and is recognized as a trusted brand by veterinarians.

# Market Analysis

## Key Trends, Market Potential and Market Size

- **60%** of Canadian households own a pet.<sup>1</sup>
- Dog treat sales grew to **\$500 million CAD** in 2020.<sup>2</sup>
- Demand for dog treats increased by **7.7%** from 2016 to 2020.<sup>2</sup>
- **46.4%** of dog owners feed treats to their dog daily.<sup>3</sup>

Canadian dog owners are increasingly seeking high-quality dog treats that enhance the health of their pet. The pet food market is expected to continue to grow due to aging populations, urbanization, and rising disposable incomes.<sup>2</sup> As consumers spend more time at home, humanization trends are rapidly emerging with dog owners making purchases for their pets that reflect their own lifestyle choices.<sup>2</sup>

## Other Key Factors Affecting the Market

Pet food and treat production in Canada is largely unregulated. Processes and practices will follow guidelines set out by the Association of American Feed Control Officials (AAFCO).<sup>5</sup>

Camilife will capitalize on current dog treat industry trends by introducing the first camelina infused dog treat to the marketplace, acting as an exceptional addition to Portico Pet’s already successful portfolio.

## Primary Research

In early 2023, the Camilife team conducted primary research surveying **over 500 individuals**. Respondents were asked a variety of questions regarding their relationship with their dog, purchasing habits, dog treat preferences, and basic demographics.

- **91%** of respondents agreed that their dog’s health was a top concern in their lives.<sup>3</sup>
- **53%** of women between the ages of **20 and 39** said they would be interested in purchasing a dog treat that contains camelina oil.<sup>3</sup>
- **52%** of respondents between the ages of **50 and 70** years old said they would be interested in purchasing a dog treat that contains camelina oil.<sup>3</sup>
- **75%** of respondents considered Omega-3 fatty acids to be a valuable health supplement.<sup>3</sup>

## Customer Profile

Camilife is well aligned with consumers who are concerned with improving the overall well-being of their pet. The target market for Camilife is ‘**Pup Parents**,’ individuals who prioritize their dog’s quality of life through convenient and functional methods that complement their busy lives.

# PupParents

## Ambitious Young Adults

Generation Z | Urban Centre | \$75K Income

- Megan is a city dwelling, young single, working in marketing.
- Her dog *Lucy* loves exploring the outdoors on early morning runs and weekend adventures.
- Megan prioritizes fitness and quality diets for both herself and *Lucy*.



## Lively Young Families

Millennials | Suburbs | \$185K Income

- The Burton’s are an on-the-go family of four balancing work, kids, and fun.
- *Charlie* is the best friend and biggest supporter of his human siblings.
- Mom, Natalie, seeks out convenient and functional products that make her busy days a little bit easier.



## Easygoing Empty Nesters

Baby Boomers | Suburbs | \$100K Income

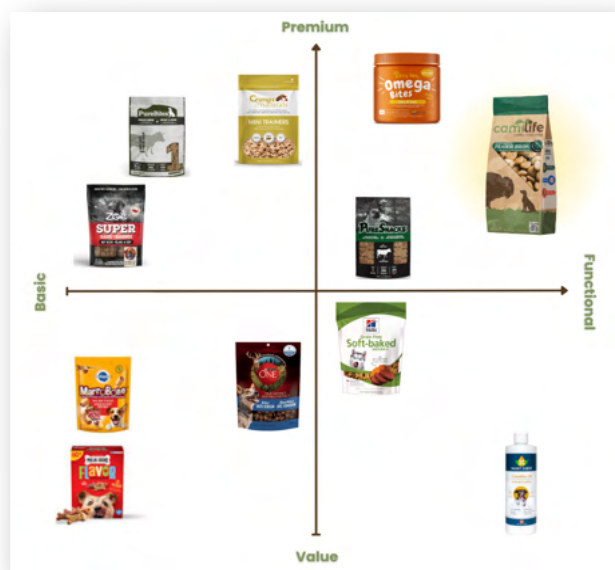
- Mike and Sharon are newly retired.
- Their dog *Jack* is lapping up all the attention that comes with being an only child.
- The couple is emphasizing healthier options for themselves, and *Jack*, as they start this new chapter.





## Competitive Analysis

Camilife is the first dog treat on the market that combines Omega-3 rich camelina oil with the convenience of a dog treat. Camelina is currently only offered on the pet food market in its oil form. In the Omega-3 market, Camilife offers a quality, healthy treat for a price 48% below other premium functional competitor brands.<sup>3</sup> The product placement map below illustrates how Camilife's pricing strategy and health benefits separate it from competitors. Camilife's primary competitive advantage is the camelina oil offered in the convenient form of a tasty dog treat.



## SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>Camelina has high levels of Omega-3 fatty acids that promote immune, heart, and skin &amp; coat health.</li> <li>Camilife is the most convenient way for dogs to receive the benefits of camelina oil.</li> <li>Canadian made.</li> </ul>	<ul style="list-style-type: none"> <li>Lack of consumer awareness surrounding camelina.</li> <li>Marketing efforts will be required to establish recognition of camelina among both consumers and producers.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>Pet owners prioritize their dog's health.</li> <li>Demand for premium dog food treats is increasing.</li> <li>Potential for future expansion into feline and equine markets.</li> </ul>	<ul style="list-style-type: none"> <li>Highly competitive market.</li> <li>Consumer demonstrated brand loyalty.</li> <li>Current growth of camelina is limited in Canada.</li> </ul>

## Key Planning Assumptions

- Portico Pets is an established pet food manufacturer in Canada with existing production infrastructure and distributor relationships.
- Conclusions drawn from primary and secondary market research are representative of the total market demographics.

# ProducerBenefit

*"Camelina is a crop that allows farmers to make sustainable and environmentally friendly advancements while making economic gains through strong net returns."*

## Producer Profile

Bruce lives in central Saskatchewan with his wife and three grown kids. Together he and his daughter run a cash crop operation where they grow a rotation of rye, canola, wheat, and flax. Their operation is focused on sustainable crop rotation and improving soil health. Growing camelina will allow them to reach their profit goals while growing a crop that is sustainable and environmentally friendly.

## Why Bruce Will Grow Camelina

- Requires less inputs (fertilizer, crop protection, lower seed costs).
- Drought and frost resistant.
- High yields on lighter, more marginal soil.
- Premium contracts offered by Camilife.
- Crop diversity and rotation.



## Cost of Production

	Camelina	Canola	Wheat
Revenue (per Acre)	\$630.00	\$748.00	\$672.00
Cost (per Acre)	\$155.55	\$397.34	\$273.22
Net Returns	\$474.45	\$350.66	\$398.78



## Growing Together

To mitigate market risk, Camilife plans on launching a **marketing campaign that targets producers**, increasing awareness and promoting the growth of camelina in Canada. To reach producers, Camilife will have a presence at the Western Canadian Crop Production Show (SK) through partnerships with independent crop consultants. Additionally, Camilife will have an online presence through Facebook and Twitter. These marketing efforts will demonstrate the productivity, sustainability, and economic benefits of growing camelina with Camilife.

# Business Proposition

## Product

Infused with the Omega-3 fatty acid rich camelia oil derived from the *Camelina sativa* plant, **this triangle treat is oven-baked and injected with a soft camelina based center**, ensuring the camelina oil does not lose nutritional value through production. CamiLife will be offered in three Canadian inspired and produced flavors: Prairie Bison, Freshwater Fish, and Maple Yam. The product will be packaged in compostable 340g (12oz) bags.

## Price

CamiLife is a premium product, sold in a 340g bag (12 oz) for \$28.99 CAD/ \$21.30 USD. After a COGS of \$3.55, this will result in a 72%, 76%, and 78% production margin in Years One, Two, and Three, respectively. CamiLife expects lower margins in Year One as it builds a sales base in both large and independent retailers. These will grow by Year Three as CamiLife becomes established. Pricing will remain consistent across all sales channels to promote equal competition amongst all retailers.

# Action Plan

## Positioning

CamiLife is produced with quality ingredients and is positioned to reflect quality of life, sustainability, and convenience.

## Place

CamiLife will reach large populations in urban centers and communities across Canada. CamiLife will be launched in the Greater Toronto Area (GTA) in Year One, expand into the rest of Ontario in Year Two, and further target metropolitan hotspots across Canada in Year Three, including Calgary and Vancouver. The product will be sold in both independently owned and big box pet stores, as well as veterinary clinics across the target markets, and on CamiLife.ca. Promotional activities will evolve in accordance with this three-year geographical plan, building brand recognition in the desired areas.

■ **Year One:** Greater Toronto Area, Ontario.

■ **Year Two:** All of Ontario.

🐾 **Year Three:** Nationwide, targeting large urban centers including Calgary and Vancouver.

## Promotions

### 1. BONE-Appetite Events

*Bonding with owners and their dogs through interactive experiences and presence at fun events.*

- CamiLife will **sponsor** events such as the popular Easter Egg Hunt for Dogs, Annual Ruff Mudder, Barket Market, Pucks N' Pups, and Pet-a-Palooza.
- CamiLife will **host** "park takeover days" during national dog month, "DOGust".
- The Treat Trike will boost brand awareness among pet owners by offering free treats to those that post a picture or video of themselves and the tricycle with the hashtag **#treattrike**.
- The Treat Trike will be present at sponsored and hosted events.



## Objective

CamiLife will offer a "guilt free" dog treat that promotes the health, longevity, and overall quality of life of everyone's favorite family member.

## Strategy Statement

As the first and only camelina-based dog treat, CamiLife is positioned to provide pet owners with a product that satisfies the consumer's demand for a healthy and premium grade dog treat option. Enhanced by the nutritional value of the Omega-3 fatty acids that are plentiful in camelina oil, CamiLife is proud to provide health, sustainability, and convenience to consumers – and their pups!



## 2. DOGtor's Choice

*Leveraging relationships with reputable professionals to establish brand trust.*

- Portico Pets will leverage relationships with veterinarians, providing an incentive to sell CamiLife through a rebate program.
- CamiLife cookie jars will be present at offices and filled with complementary treats for patients.
- CamiLife will attend the Ontario Veterinary Medical Association (OVMA) conference in Toronto



## 3. Raising The WOOF

*Using everyday media platforms to reach our target audience.*

- CamiLife.ca will be an inviting space for customers to learn about CamiLife.
  - This site will be e-commerce enabled for the CamiLife product line.
  - A key feature will be a "store locator" tool which provides a map of each location carrying CamiLife products.
- Social media promotions will begin with sponsored posts on Instagram, Facebook, and TikTok, as well as blog posts on dog health websites.
  - Paid display and search advertisements will be present on social media.
  - Geotargeting and age demographics will allow the campaign to scale with the target market and adjust messaging to fit the customer profiles.



## 4. UltiMUTT Partnerships

*Establishing partnerships with local and popular pet influencers to build brand awareness.*

- CamiLife will partner with pet influencers, capitalizing on the growing social phenomenon of "pet celebrities".
- Pet-fluencers will create paid postings endorsing CamiLife treats and provide followers with limited discount codes redeemable at CamiLife.ca.
  - @lifeofsterlingnewton** will promote CamiLife to their 2.3M TikTok followers, and 372K Instagram followers.
  - @tibbythecorgi** will promote the coat and skin benefit of CamiLife. Tibby is present on both Instagram and Facebook, with 70K Facebook followers, allowing us to reach different generations of our target audience.
  - @trailsandbears** is the handle of Rachael Rodgers, who has 145K followers and lives near Calgary, AB, central to the markets with young explorers and families (Year Three).

## 5. Cause For PAWS

*As a part of the giving back initiative, Portico Pets will donate bags of CamiLife treats to local shelters and rescues in honor of National Dog Month.*

- This initiative has multi-faceted benefits for CamiLife as future owners already know that their dogs love our treats.
- Once adopted, branded bandanas will be provided to the dogs to wear home, creating a lasting impression of the CamiLife brand.



### Marketing Budget

	Year One	Year Two	Year Three
BONE-Appetite	\$17,048.07	\$21,942.99	\$47,103.17
DOGtor's Choice	\$5,910.36	\$8,743.73	\$22,912.21
Raising the WOOF	\$90,461.31	\$179,232.35	\$422,368.79
UltiMUTT Partnerships	\$47,660.14	\$71,417.14	\$82,119.93
Cause For PAWS	\$19,723.99	\$36,854.27	\$134,896.36
Growing Together (Producer Marketing)	\$6,099.83	\$9,086.55	\$22,457.77
Marketing Team	\$232,440.00	\$403,780.00	\$546,260.00
<b>Total Marketing Activity Expense</b>	<b>\$419,343.70</b>	<b>\$731,057.03</b>	<b>\$1,278,118.24</b>

Marketing expenses are expected to be **57.68%** of sales in the first year, **23.80%** in Year Two, and **8.81%** in Year Three. This will allow CamiLife to build tactics that will improve market penetration, grow sales, and build a strong foundation for continued success.

Return on marketing will grow as CamiLife becomes more well known. In Year One, CamiLife is projecting a return on marketing of **-10.7%**, which will grow to **58.1%** in Year Two and **294.7%** in Year Three.



# Financial Analysis

Income Statement	Year One	Year Two	Year Three
Fish	19,275	71,620	305,960
Bison	19,275	71,620	305,960
Yam	9638	35,810	152,980
Packets Sold	48,189	179,050	764,901
Vendor Margin	13.90	11.83	10.03
Price / Packet	\$15.09	\$17.16	\$18.96
<b>Sales Revenue (\$)</b>	<b>\$727,064</b>	<b>\$3,072,208</b>	<b>\$14,502,783</b>
Cost of Goods Sold (Fish)	\$68,826	\$255,730	\$1,092,478
Cost of Goods Sold (Bison)	\$98,775	\$367,009	\$1,567,864
Cost of Goods Sold (Yam)	\$33,568	\$124,726	\$532,830
Total Cost of Goods Sold	\$201,169	\$747,465	\$3,193,173
<b>Gross Margin (\$)</b>	<b>\$525,895</b>	<b>\$2,324,743</b>	<b>\$11,309,611</b>
Gross Margin (%)	72.33%	75.67%	77.98%
<b>Expenses (\$):</b>			
Depreciation	\$14,118	\$20,209	\$34,577
Operating Expenses	\$263,173	\$1,199,391	\$4,445,642
Rent	\$90,000	\$90,000	\$180,000
Marketing Expenses	\$419,344	\$731,057.03	\$1,278,118.24
Discount Expense	\$17,349	\$64,462	\$275,381
<b>Total Expenses</b>	<b>\$803,983</b>	<b>\$2,105,119</b>	<b>\$6,213,719</b>
<b>EBIT (\$)</b>	<b>(\$278,088)</b>	<b>\$219,624</b>	<b>\$5,095,892</b>
Interest Expense	\$10,871	\$14,474	\$22,894
<b>EBT</b>	<b>(\$288,959)</b>	<b>\$205,150</b>	<b>\$5,072,998</b>
Income Tax Expense	\$0	\$23,592	\$583,395
<b>Net Income (Profit)</b>	<b>(\$288,959)</b>	<b>\$181,558</b>	<b>\$4,489,603</b>
<b>Profit Margin %</b>	<b>-40%</b>	<b>6%</b>	<b>31%</b>
Marketing Expense as % of Sales	57.68%	23.80%	8.81%

## Income Statement Analysis

CamiLife expects a market penetration in our key region of the GTA to be 1.5% in Year One, growing to 2.5% in Year Two and 4% in Year Three. In Year One, CamiLife will return a net loss of -\$288,959 and a net profit margin of -40%. It is important to note that despite the low cost of goods sold and a strong gross margin, there will be a need to have a powerful marketing plan to help CamiLife stand out from competitors.

CamiLife will generate sales of **\$727,064** in Year One, **\$3,072,208** in Year Two, and **\$14,502,783** in Year Three, while achieving net profit margins of -40%, 6%, and 31% over the three years of the plan.

A sensitivity analysis shows our results are robust. In Year Three CamiLife could withstand an increase in the cost of goods sold of 25% and a decrease in sales of 25% and still remain profitable, demonstrating resiliency in our margins.

## Conclusion

By diversifying with CamiLife, Portico Pets is well positioned to take advantage of the increasing consumer desire around integrating health-conscious pet products into their day-to-day routines. CamiLife will empower Pup Parents to purchase quality dog treat options that support the livelihood of their furry family members while providing Canadian crop producers with a sustainable diversification opportunity. Consumers can be confident in their decision to purchase CamiLife dog treats, knowing it is a functional product designed with happiness, health, and love for your favorite companion in mind.

# Monitoring & Measuring

	Goal 1 Market Penetration	Goal 2 Supply of Camelina	Goal 3 Digital Media Engagement Rates	Goal 4 Influencer Sales Conversions
<b>Measurement</b>	<b>Year 1:</b> 1.5% <b>Year 2:</b> 2.5% <b>Year 3:</b> 4.0%	<b>Year 1:</b> 55 acres <b>Year 2:</b> 204 acres <b>Year 3:</b> 873 acres	<b>Year 1:</b> 12,270 (17%) <b>Year 2:</b> 82,171 (18%) <b>Year 3:</b> 216,667 (20%)	<b>Year 1:</b> 51% <b>Year 2:</b> 30% <b>Year 3:</b> 17%
<b>If goal is met</b>	Expand presence in events across target markets.	Focus marketing efforts to regions experiencing success growing camelina.	Increase paid advertisements on most popular platforms to increase interactions.	Increase paid sponsor posts and continue to share CamiLife with influencers on a paid and gift basis.
<b>If goal is not met</b>	Continue to focus efforts on the Greater Toronto Area and Ontario before expanding nationally.	Expand regional marketing through traditional media and consultants.	Re-evaluate online sales targets and calls to action from marketing efforts.	Re-assess the value of each influencer's reach and impact. Change direction accordingly.

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