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Brand Extension through Innovation: Sound Agriculture Sustainably Grows the Greens

Erik Wolfe, senior product marketing manager at Sound Agriculture, understood the power of science to aggressively improve agribusiness, including reducing the use of environmentally damaging fertilizers. In April 2022, he saw opportunity in the turfgrass market to put his company on a solid path of growth.

Sound Agriculture was founded in 2013 with venture capital and a primary mandate to identify and commercialize science-based solutions to complex food and agricultural challenges. It found success by creating a product called SOURCE, a foliar spray that activated the soil microbiome in a way that enabled crops to absorb vital nutrients. This allowed growers to reduce fertilizer use substantially without sacrificing yield. Introduced in 2019, Source sold out in 2020 and 2021.^{1,2}

But while Sound Agriculture had recorded revenues of \$2.3 million as of 2021,³ the economic impact of COVID-19 had been widely disruptive. Although venture capital investors were used to dealing with risk, the pandemic had added a significant amount of uncertainty. Sound Agriculture needed to quickly explore options for continuous revenue growth to hedge against a potentially slower venture capital investment pace.

An initial feasibility study identified the turfgrass market as a viable opportunity to extend Sound Agriculture's brand through a SOURCE-inspired derivative product. Wolfe needed an appropriate marketing strategy for the potential new product launch. What would be his initial target market? How would this innovation be positioned within that market? He needed to make tactical decisions about branding, pricing, placement, and promotion before making presentations to potential investors. Wolfe also suspected Sound Agriculture was not the only agribusiness company investigating such opportunities.

To assist him in researching and developing a comprehensive marketing strategy, Wolfe enlisted the assistance of a 2022 Multidisciplinary Action Project team from the University of Michigan's Stephen M. Ross School of Business, comprised of 2023 graduate students Janet Genser, Alyson Grine, TJ Mihelic Jr., and Colin Raaberg.

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