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The University of Central Lancashire, UK

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Contents:

Editorial

This special edition of International Journal of Retailing, Sales and Marketing presents a collection of student work from the UK. They have been written by final year students at Lancashire Business School in the University of Central Lancashire (UCLan) in a module entitled Strategic Marketing: Concepts and Applications.
The papers in this special issue of IJRSM cover an assignment where students were shown 3 educational DVDs entitled 'High Street Dreams'. Students were then asked to choose a product from the following categories: Food & Drink, Children's Market and the Fashion Industry. Students were then asked to, develop a new product from their chosen category and provide a rationale for doing do so and prepare a strategic marketing plan.

I very much hope that you find the variety of topics covered in this special edition interesting and informative and give an insight into the thoughts of final year marketing students as well as the requirements and rigour of the teaching and assessment process.

Best wishes

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Biographical notes

Robin Carey, MBA, P Cert LT HE, LLB(Hons) Cert HE, FHEA, is a Course Leader in Business and Marketing at Lancashire Business School in the University of Central Lancashire. Prior to teaching he worked in Business and Marketing related roles for major corporations such as BBC Worldwide on brands such as Top Gear and at News International on brands such as the Sunday Times and the Sun giving him a superb first hand insight into how major corporations work. Robin is also a visiting lecturer in Advertising and Marketing at VTC in Hong Kong and he is passionate about fusing academic rigour with industry informed teaching and understanding. Robin is also a fully qualified gym instructor teaching gym classes such as yoga and Pilates at major gyms chains such as Virgin Active. Robin is currently studying for a Doctorate in Education at UCLan.

EASYGRID TECHNOLOGY

Simpson, E., Pickford-Avery, X., Hayton, R., Fedigan, C. & Partridge, C.

Abstract
The following report is a NPD strategic marketing plan for EasyGrid technology. EasyGrid is a one to ten numerical grid that can be applied to wallpaper by a manufacturer, providing an easier and more efficient way to match and hang wallpaper. Both secondary and primary research (focus group) has been used to establish consumer perceptions and behaviours. Transcripts can be found in the appendices. Research has shown that consumers often lack the confidence or skill to hang wallpaper. EasyGrid technology satisfies this customer uncertainty and with no direct competitors, it demonstrates a gap in the market. The report identifies the generic marketing strategy as focus differentiation, with the technology adding value to existing brands.

Keywords: *DIY, Wallpapering, Decorating, Differentiate, Process Technology, DIYers, Home Improvement*

1. Executive Summary

The following report is a NPD strategic marketing plan for **EasyGrid technology**. EasyGrid is a one to ten numerical grid that can be applied to wallpaper by a manufacturer, providing an easier and more efficient way to match and hang wallpaper. Both secondary and primary research (focus group) has been used to establish consumer perceptions and behaviours. Transcripts can be found in the appendices. Research has shown that consumers often lack the confidence or skill to hang wallpaper. EasyGrid technology satisfies this customer uncertainty and with no direct competitors, it demonstrates a gap in the market. The report identifies the generic marketing strategy as **focus differentiation**, with the technology adding value to existing brands.

2. Our brand

2.1 Mission

"EasyGrid Technology exists to make hanging wallpaper;

- Easier
- Achievable for first-time 'DIYer'
- More efficient; saving time, money and waste"

2.2 Easy Grid

EasyGrid is a new technology developed to be printed on the back of patterned wallpapers that makes matching and hanging wallpaper easier and more efficient. EasyGrid is a numerical 1- 10 scale grid repeated in correspondence with the pattern drop featured on wallpaper. Please see the visual aids (figure.1) and mood board (figure.2) in appendix.

2.3 Competition

At present there is no competition within the market as EasyGrid is a unique and innovative concept.

2.4 Keys to success

- Differentiation through innovative technology and complimentary services will drive consumer appetite and increase visibility in the home improvement market (Euromonitor, 2014).
- Driving sales and brand presence through increased education of wallpaper hanging, especially amongst younger consumers.
-

3. Market Analysis

3.1 Market Demographics

Two main age groups are identified as most interested in DIY;

• 20-29 year olds – renovating their first home

• 40-49 year olds – improving their existing home (Baker, 2013)

These consumers are also most likely to belong to the AB and C1 socio-economic groups.

Men are shown as the most likely to undertake a DIY task at 57%, compared to women at 46%. When making the decision to improvement the home both men and women showed equal responsibility, however women are identified as the decision makers in design and decoration aspects (Burst Media, 2012).

A key pattern of 'improve not move' can be noted in the following consumer groups which are identified as the main purchasers of DIY products:

• Older more affluent home owners who do not wish to move (Data Monitor, 2013)

• Younger consumers facing difficulty in up-scaling to larger properties due to high housing prices (Mintel, 2013)

• Younger consumers who are failing to break from the parental home (Mintel, 2013)

Further, forecasts from Mintel (2013) emphasise that younger consumers specifically those aged 16-34 are the most likely to carry out DIY tasks over the next 12 months.

3.2 Market Forecast& Trends

- While there are fewer housing transactions, interest in DIY is increasing among those who wish to improve their existing home (Key note, 2009).
- WGSN (2014) forecasts trends for intricate patterned wallpaper indicating growth. This bodes well for the EasyGrid concept which assists the matching and hanging of patterned wallpaper
- 19% of Google UK searches between May and August 2013 were for "wallpaper" and "DIY", each queried 246,000 times (WGSN, 2013)

3.3 Market Needs

- Education in hanging wallpaper
- Cost-effective ways to improve home

3.4 Market Growth

DIY has been one of the worst-performing sectors in the recent past, suppressed by the weak housing market and squeezed incomes. More recently, the homewares industry has experienced positive market growth as consumers seek to improve their homes at a lower cost (Mintel, 2013) with continued growth expected (1.1%) in the sales of wall coverings, achieving £311.5m by 2017 (Euromonitor, 2013).

3.5 PESTLE

3.5.1 Political/Legal

- Lack of protection provided by patent – this poses a high **threat** for potential entrants and will implicate our chosen strategy (IPO, 2013)

3.5.2 Economic

- Consumer confidence is trending up although the economic recovery is far from robust (Mintel, 2013).
- Due to the high prices in the housing market younger consumers are struggling to break from the parental home. If the housing market does not improve consumers are more likely to 'improve rather than move' (Mintel, 2013)
- Materials for maintenance/repair of the home (paints and wallpapers) currently comprise the largest sub-sector of the DIY market with 38% of spending activity (Mintel, 2013).

3.5.3 Social

- Consumers look unfavourably on DIY because they either lack the skills to undertake it or lack the inclination to get involved (Harrison, 2013)
- More than half of young people lack the skills they need to maintain their homes; 63% would not attempt to put up wallpaper (Daily Mail, 2011)
- 70% of DIYers have some element of fear when starting a DIY project. Men express less apprehension than women (Mintel, 2013)

3.5.4 Technological

- Growth of consumers purchasing home products online (Mintel, 2013) with the web also being to most popular resource for DIY information (Burst media, 2012)
- Growing trend in the use of apps with half of Britons using a tablet computer (WGSN, 2013) as well as social media aiding the decision making process (Data Monitor, 2013)

3.5.5 Environmental

- Poor weather conditions can have a negative effect on the performance of the DIY industry, with many projects being discouraged due to the reluctance to leave windows and doors open (Euromonitor, 2013)

3.6 SWOT Analysis

3.6.1 Strengths

- Unique concept- No competition
- Versatile technology- adaptable to all wallpaper patterns
- Comprehensive patent: 1,2,3 / A,B,C

3.6.2 Weaknesses

- Lack of protection provided by the patent (IPO, 2013)
- Technology may fail to alter consumer's poor perceptions around the ease of hanging wallpaper

3.6.3 Opportunities

- Capture new market: Population is ageing; over 55's not currently DIYers but they are 'Affluent Hobbyists'

- Target younger consumers still living at home
- Create strong brand through competitive advantage
- Bring added value to existing brands
- Change consumers poor perceptions towards hanging wallpaper and eliminate apprehension of using product
- Educate consumers on how to hang wallpaper easily- open up market

3.6.4 Threats

- Economic recovery is far from robust; suppressed consumer spending
- Poor perceptions among consumers around hanging wallpaper
- Lack of knowledge in hanging wallpaper
- Threat of substitutes and new entrants
- Threat of patent infringement and having to independently enforce our infringement rights- high cost

4. Primary research

A focus group of five people was conducted to analyse consumer's previous DIY experience, wallpaper usage and experience and consumer attitudes towards the "EasyGrid" concept. Full transcript can be found in figure.3 of the appendix, but key points included;

- 75% of respondents stated they felt some level of apprehension towards DIY before starting a task, one respondent specified wallpapering. This respondent was female which correlates with secondary research that women experience a greater level of apprehension that males.
- Generally, respondents identified that they would avoid undertaking larger DIY tasks, mainly due to perceived lack of experience and skill (highlighting apprehension and caution).Two respondents specifically identified they would not wallpaper or wallpaper again.
- 80% of respondents have experienced wallpapering before, of this number 80% described their experience as negative although this does not suggest that the final outcome was not a success i.e. respondent did not enjoy the process.
- Key words such as: "tedious", "time consuming", "stressful", "horrendously bad", and "gave up" were used to describe respondent's experience of wallpapering.
- 100% of respondent's claimed to understand the "EasyGrid" concept, however 40% of these only understood after seeing a visual demonstration.
- In general the concept was well-received with respondents expressing a desire to use the technology in the future; 60% describing the product as making things "easier".
- 100% of respondent's stated that they would be willing to pay a premium for wallpapers that included "EasyGrid" technology; however 60% of respondents identified that the price would need to be reasonable, not "extortionately more".

5. Strategies

5.1 Marketing Objectives

1/ Launch EasyGrid into the market through specialised wallpaper manufacturer

2/ Generate awareness in 10% of secondary target market within 6 months of launch, 25% after 1 year

3/ Drive trial in 4% of secondary target market within 1 year of product launch
4/ Instil EasyGrid into the evoked set of 5% of secondary target market when considering wallpaper purchase choices within 1 year of launch
5/ Make EasyGrid associated brands the preferred purchase choice for 8% of the secondary target market within 2 years of launch

5.2 Porters five forces

Industry analysis

Industry competitors - positive

There are very few large and successfully established wallpaper manufacturers within the UK, so this represents an unsaturated and less competitive market. Although there is no direct competition for EasyGrid technology once a manufacturer purchases the intellectual property of the technology, they will incorporate the technology onto their designs and distribute these to their retailers. Competitors can then be considered as other wallpaper manufacturers based on variables such as design, price and quality.

Threat of new entrants - negative

The wallpaper industry is relatively easy to enter as it is unregulated and therefore barriers to entry can be described as low. Threat of new entrants is high; this can erode the fundamental attractiveness of the industry.

Further, although the EasyGrid concept is pending a comprehensively built patent, infringement of patent rights is not illegal and therefore the high threat of new entrants is increased. This would be then considered a substitute product.

Threat of substitutes - positive

At present no substitute product exists that can deliver the same benefits as EasyGrid Technology. Therefore the threat of substitutes is currently low. However, high threat of new entrants coupled with the lack of legal protection provided by patent, new substitute products could be easily developed and launched into the market.

Additionally, the technology may not be exactly replicated but redesigned and produced similarly by a new entrant. Such scenarios are unpreventable and would implicate our pricing decisions, putting a cap on our profitability. If this does occur buyers may adopt a similar and perhaps cheaper alternative technology.

Bargaining power of suppliers - positive

As a concept of intellectual property, EasyGrid technology does not require any suppliers' therefore bargaining power is irrelevant, this means that our profitability is increased.

Bargaining power of buyers - negative

As large established manufacturers are the prospective buyers for EasyGrid Technology, they have high bargaining power due to the following:

- EasyGrid are technologically distant from manufactures as we cannot produce products, this makes us dependant.
- Manufacturers have the existing retailer customer base
- Manufacturers may only purchase on the basis of gaining exclusive rights to EasyGrid Technology, this would cap our future profitability.

Bargaining power is increased by the fact that the end consumer may be slightly price sensitive however it has been identified in the primary research that consumers are willing to outlay a premium for wallpaper products which incorporate EasyGrid technology.

5.3 Generic Strategy

Analysing the EasyGrid concept through Porter's five forces model has identified our generic strategy as **focus differentiation.**

- EasyGrid is able to provide unique benefits that are important and relevant to the needs of the market, such as educating and gaining skills in wallpapering.
- Differentiating effectively by focusing on not just the physical product, but additional service benefits which demonstrate product usage to the end consumer. This enables EasyGrid to deliver uniqueness, quality and added value which justifies a premium price. Willingness to purchase EasyGrid associated brands at a premium price was affirmed in primary research.
- Narrow competitive scope – focusing on a particular product for a particular customer. For EasyGrid this being UK wallpaper manufacturers, dedicating ourselves to this particular segment.

5.4 Target Market

Primary market: Wallpaper manufacturers, specifically Holden Decor Limited; the UK's largest wallpaper manufacturer and distributor based in Darwin, Lancashire. Holden's are specialists in premium quality wall coverings, their brands include Statement wallpaper, K2 wallpaper, Holden wallpaper, Tiling on a Roll and Opus Vinyl Wall coverings (Holden's Decor, 2014).

EasyGrid can provide Holden's with the opportunity to create and pass on added value to their customers through incorporating our unique process technology onto their products. This allows them to provide an additional service with their premium brands, creating them a unique selling point and competitive advantage.

Secondary market: AB and C1 male and female consumers aged 20-49 who are interested or open to the idea of wallpapering

- **20-29 year olds- Established market**
  Seek modern and easy ways to improve their homes
- **30-39 year olds- New target market** – EasyGrid can open up this market and encourage them to hang their own wallpaper
  Growing segment of house buyers / Lack the skill to hang wallpaper
- **40-49 year olds - Established market**
  Generally posses the skill to hang wallpaper but seek to make this process easier, less tedious and less time consuming/ Seek ways to improve their existing homes rather than move

5.5 Positioning

In relation to the McKinsey General Electric matrix (see appendix figure.4) EasyGrid are Emerging from 'proceed with care' mostly in 'Growth'. We must; protect our vulnerable position by filling weaknesses of threat of new entrants and the risk of technology not changing consumers poor perception of the difficulty of hanging wallpaper through building selectively on our strengths; quality, innovation and simplicity of use to increase value. Simultaneously, apply a comprehensive patent to reduce risk of substitutes and promotional campaign to exhibit the benefits of the technology. This will enable us to develop into high attractiveness.

6. Marketing mix

6.1 Product

Embracing differentiation through innovative process technology and complimentary services such as educational content provided through digital platforms. EasyGrid generates added value for wallpaper customers and justifies a price premium.

6.2 Price

Price will be set by manufacturers but will add a premium to existing wallpaper unit price. Primary research indicates a willingness to pay a premium price however this should be reasonable. Superior margins can be achieved through superior performance if the differentiation technology is priced appropriately.

EasyGrid will be sold to Holden's for an initial set sum then receive royalties on each roll sold.

6.3 Place

Distributed through Holden's existing distribution channels. Superior shelf space and location will be negotiated for launch however once established EasyGrid will have their own section within wallpaper aisles.

6.4 Promotion

To differentiate effectively the physical product, additional services and unique benefits must be communicated with promotions focusing on demonstrating the ease of product usage.

Interactive website: (Primarily reaching younger tech literate consumers)

- Containing demonstration videos for education purposes.
- Incorporate customer videos, speed wallpaper hanging competition and testimonials.
- Incorporate social media to drive referrals which substantiate the effectiveness of product and premium worth

Magazines: (Targeting older consumers)

- Publications with female based readership such as Women & Home, Good Housekeeping and Ideal home. Secondary research identifies Women as the primary décor decision maker (Burst Media, 2012)
- Advertisement with EasyGrid tear off bookmark (patterned wallpaper on one side and EasyGrid on back)

7. Summarise the plan

There is currently a negative perception of wallpapering with many consumers lacking the skill, knowledge and confidence to undertake such a "stressful" and "time consuming" task. However, there is a growing trend to 'improve not move', with consumers seeking easy and cost effective ways to do so.

EasyGrid technology has been developed to satisfy the consumer need to improve without stress or considerable time spent. EasyGrid makes wallpaper matching and hanging simple and efficient, adding value to existing brands that incorporate our process technology.

Adopting a focus differentiation strategy EasyGrid is positioned as a premium, quality product with the added service of online educational resources. EasyGrid is distributed solely through a specialised premium wallpaper manufacturer and promoted through interactive digital platforms as well as high end magazine publications.

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Appendices

Figure 1 - Visual aid
Figure 2 – Mood Board
Figure 3- Primary research- Focus group transcript
Figure 4- McKinsey Matrix

Figure 1 – Visual Aid

Figure 2- moodBoard

Figure 3- Focus group transcript

Easy Grid Technology Focus Group 13/02/14

Respondents were selected via the convenience sampling method, chosen initially for their demographic coherence with current or prospective DIY'ers as identified by Mintel (2013).

Respondent	Gender	Age	Income	DIY Experience (0= none 10= high)
1	F	55	£55,000+	0 1 2 3 4 5 6 7 8 9 10
2	M	21	£21,000+	0 1 2 3 4 5 6 7 8 9 10
3	M	34	£50,000+	0 1 2 3 4 5 6 7 8 9 10
4	F	42	£25,000+	0 1 2 3 4 5 6 7 8 9 10
5	M	25	£7,000+	0 1 2 3 4 5 6 7 8 9 10

Welcome to our focus group and thank you for your time taken to participate with us in our University research. We will be talking with you today about your previous DIY experience and then move on to your experience, if any, of wallpapering. This focus group is an informal discussion and we invite you all to chat and discuss your thoughts together. You reserve the right to decline any questions you do not wish to answer, and you are also free to ask any questions that you may have. You are also free to leave at any time. The focus group is expected to last around half an hour.

Questions

1. We have already asked you to scale yourselves in reference to your previous DIY experience; can you expand on this and describe the type of tasks you have carried out?

Respondent 4: I've carried out all sorts of DIY tasks from painting and wallpapering rooms, building my own shelving and computer unit to re-coving my bathroom and insulating my loft.

Respondent 5: yeah I've done some painting and wallpapering too, nothing too big though

Respondent 1: I'm mostly decorating too, a bit of emulsion and glossing.

Respondent 3: Over the past few weeks I have installed some outside security lights, painted walls and put a shelf up.

Respondent 2: I have never done any DIY, I've never needed to.

2. *And why is this?*

Respondent 2: My mum always did the decorating, and general DIY tasks when I lived at home. Since being at University I have always lived in rented accommodation, so any problems in that area was dealt with by the landlord.

3. So those who have done DIY, before you started your task how did you feel? Were you confident/optimistic/cautious/apprehensive?

Respondent 3: Pretty confident

Respondent 4: I would say I'm almost always optimistic, depending on the task. Actually i'm always cautious when hanging wallpaper because I don't want to get it wrong. And when I was making my shelving unit I suppose I was quite apprehensive as it was a big job. I brought all the wood and measured and cut myself so I wasn't sure if the outcome would be how I imagined.

Respondent 5: I've felt apprehensive too. Not because of it being a big job, just because I'm so inexperienced; I don't want to get it wrong.
Respondent 1: I'm always apprehensive, it can go wrong so easily!

4. How would you rate the outcome, was your task a success or..?

Respondent 4: which one?

5. *Any? Or your tasks overall?*

Respondent 4: Overall it's usually a success but I'm a perfectionist so things have to be just so. I've had to re-do things before when they haven't been right. Touch wood I've never had a huge disaster.
Respondent 3: Well I've had a near disaster, breaking one of the lights before I'd even got it up! Apart from that they've been pretty successful

6. Is there any DIY task that you would avoid and for what reasons?

Respondent 2: I'd never do anything like plumbing/electrical jobs, anything that could cause more problems if I did it wrong, which would probably be the case! I'd never fix the loo or unblock a drain, because that's minging. I wouldn't mind painting though, or something that involves a hammer and knocking down things.
Respondent 4: Yes I'm the same! Other than changing a light bulb or hanging a light fixture I wouldn't try anything too electrical. Or plumbing, I wouldn't touch a tap or pipe. Actual decorating I'd give anything a go- I enjoy it.
Respondent 5: I like decorating but I'd avoid wallpapering after my past attempts, it too difficult if you can't do it properly – I'd rather get a professional in
Respondent 3: If I had the time I would try anything!
Respondent 1: I would avoid redecorating. The whole thought of it is overwhelming.

7. *(Directed to Respondent 1) Is that redecorating in general, or a particular task?*

Respondent 1: I would never wallpaper again, and painting just takes so long with all the layers you need to apply.

8. *(Directed to Respondents 2& 5) If you had more experience in DIY do you think your attitude towards doing it would be different?*

Respondent 2: Yes definitely, if I had my own house I'd want to know how to do all these jobs, as I'd want my house to look nice and know I could fix it myself should anything go wrong. I will definitely learn once I have a house, I wouldn't want to have to call out a decorator or anything like that it's just a waste of money when you can do it yourself.
Respondent 5: Yeah of course. I'd only call in a professional because I can't do it myself, if I could I wouldn't need to do that.

9. Does anyone have experience of wallpapering?

Respondent 2: Not me!
Respondent 4: Yeah, quite a few times
Respondent 3: yeah, me too
Respondent 1: I have a bit
Respondent 5: I've done a small amount

10. How would you describe this experience?

Respondent 4: Erm, quite tedious and time consuming. Measuring and matching each drop up is really difficult when you're on your own, especially half way up a ladder. I would actually say wallpapering is one of the most stressful DIY tasks. But it's definitely worth it when it's finished, really satisfying.
Respondent 3: well I'd describe it as horrendously bad!

(Directed to Respondent 3) Why?
Respondent 3: Because I tried to do it once but the paper ended up bubbling underneath, I had to take it off and we ended up getting a decorator in. For ease of life we could pay someone to come here for 4 hours and do it whilst I was at work, since we have always used a decorator.
Respondent 5: I ended up just painting the feature wall instead because I gave up trying
Respondent 1: Mine only went okay because I had help!

Introduce prototype– describe

11. Do you think the Easy Grid concept is easy to understand?

Respondent 1: Yes
Respondent 3: Yeah, I understand how it works.
Respondent 4: Yes I got it quite easily but I think for someone who hasn't wallpapered before it might be confusing. Especially just explaining it verbally- it's easier to understand when you show someone against a wall how you just did then.
Respondent 5: I understand it now you've done a demo, I was a bit unsure until you did that
Respondent 2: I've never done wallpapering in my life and I understand it. It would definitely make putting it up easier, I've watched my mum spend ages trying to match up the pattern and it's definitely took longer than it's meant to.

12. What do you think of the concept?

Respondent 2: I think it's actually quite clever. I know for me I wouldn't even consider wallpapering just because of all the trouble and effort that goes into putting it up, but with the grid on the back it will make it so much easier; and makes it more appealing I think.
Respondent 5: It's brilliant! It will definitely help people like us two who are inexperienced to put up wallpaper easier
Respondent 1: Really quite good!
Respondent 4: I really like it too. It's really simple. I can't believe nobody has done it before! It'd definitely of helped me.
Respondent 3: I think in theory it's a good idea. I would have to give it a go to know for definite

13. Would having this grid on the back of your wallpaper encourage you to wallpaper yourself in the future?

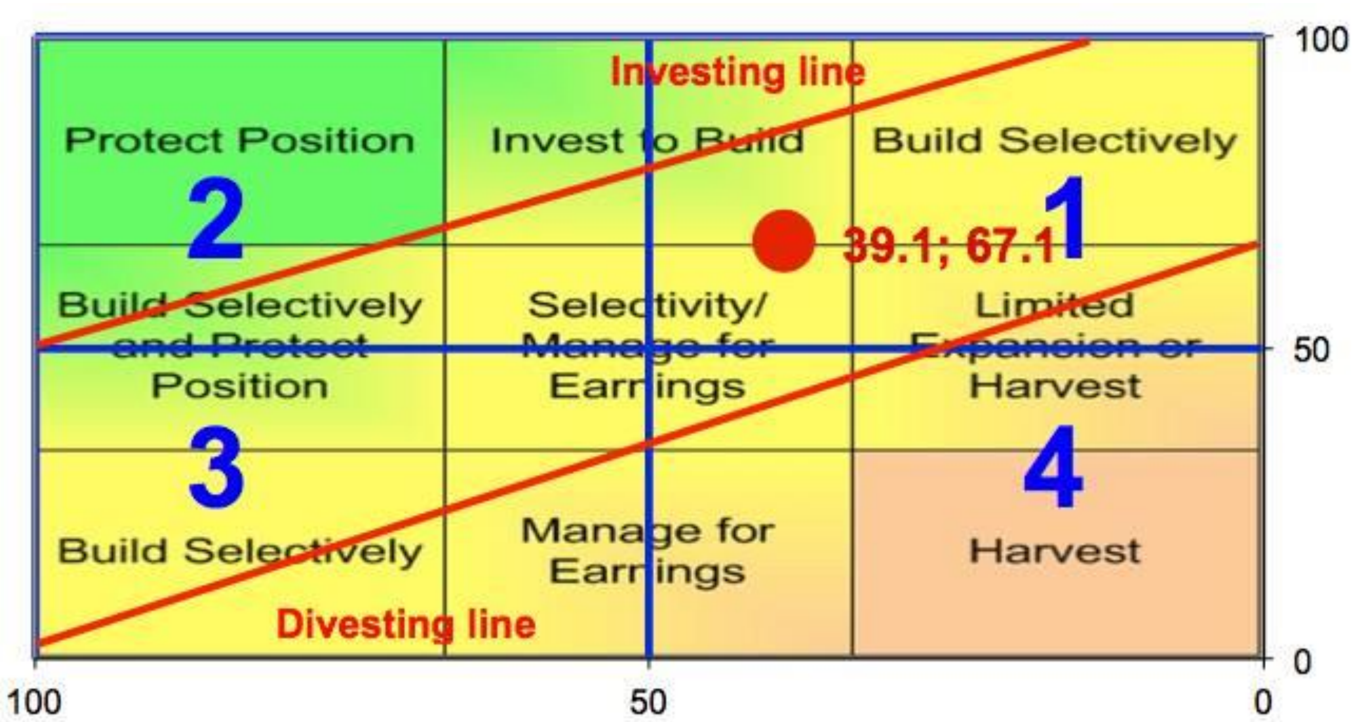
Respondent 2: 100% yes. When I have my own house I would use easy grid wallpaper. I think it would encourage people of all ages as well. I suppose people like me who are inexperienced would use it as a way of making it simpler to do and older people who are maybe in busy jobs and busy lives would use it to make the process quicker, so it works for everyone I'd say!
Respondent 4: Yeah I agree, it would definitely make things easier for me. I wouldn't have worried as much before doing it and I think it would take less time because you can measure your design out quicker
Respondent 3: Yeah if I had time I would definitely give it a go, it's more my wife who prefers to pay to have it done.
Respondent 5: I wouldn't hire a professional anymore, makes it faster and cheaper – win win situation
Respondent 1: Perhaps not for me, because my property is an old cottage it has uneven walls so the concept would not work for me. If I lived in a different property it would definitely encourage me to wallpaper.

14. Would you be willing to pay extra for wallpaper that incorporated the Easy Grid system?

Respondent 3: Maybe a bit extra, but not a lot.
Respondent 1: As long as it's not too much more, yes.
Respondent 5: I would because it still would be cheaper than buying the wallpaper and then paying a professional to put it up!
Respondent 2: I think it's expected! If a product is enhanced to make your life easier then surely you have to charge for the addition you have made to it? You wouldn't just get it for nothing! I don't think people will be put off by a higher price tag for Easy Grid wallpapers.
Respondent 4: Absolutely, but not extortionately more. I think a few pounds is reasonable but beyond that I might not bother. I can wallpaper without it; it would just be helpful and save time.

-END-

Figure 4- Mckinsey Matrix



Our positoning on the McKinsey Matrix

NIKE+ TRAIN360

Cross, C., Whittle, C. & Nuttall, J.

Abstract: *This marketing plan outlines Nike+ Train360, an innovative extension to the Nike+ FuelBand. With sports good retailing set to rise over the next couple of years, the incorporation of new technology into sports apparel could be a key influence on future growth. While recent innovations in the wearable technology sector currently in concept stage Nike has the opportunity to gain competitive advantage. Targeting 'First Teamers', core buyers of sports goods, happy to pay higher prices, Nike will adopt a differentiation strategy; launching Nike+ Train360 as a premium, high quality innovation firstly through concept stores and with an integrated promotional mix.*

Keywords: *Sport, Nike, Wearable Technology, Innovation, Marketing, Strategy, New Product Development*

1.0 Executive Summary

With sports good retailing set to rise over the next couple of years, dominated by clothing sector, the incorporation of new technology into sports apparel could be a key influence on future growth in its individual segments.

This marketing plan, outlines Nike+ Train360, an innovative extension to the Nike+ FuelBand, a new era of wearable technology in the sports division.

2.0 Mission Statement

To bring inspiration and innovation to every athlete* in the world

****If you have a body, you are an athlete***

3.0 External Audit

3.1 External Factors Affecting The Market

Political	Economic	Social	Technological	Legal	Environmental
Health for life campaigns provided by the government are increasing awareness of the importance of a healthy lifestyle	The UK has seen a rise in sports participation despite the recent recession.	In July 2013 the BBC and Sky Sports each launched new magazine TV program seeking to promote sport participation as part of the 2012 Olympic legacy.	Innovation through market leader focusing on professional sectors.	Patents on certain innovation for sports wear means that adaptation will need to occur.	Older people's participation will become a stronger focus in this market as the UK's population structure ages and the need to reduce NHS demand rises.
New research has shown that exercise is an effective anti depressant. Therefore the government had pushed for this treatment.	Consumers are looking for an 'instalment' plan to pay for high involvement sportswear purchases.	BBC1 program features inspirational stories around high-profile sports and athletes, while an accompanying multichannel *Get Inspired* initiative	Continuous research, lead by America. Reflects in the professional sector.	Medical re-assurance through terms and conditions of use. 'See Dr before' etc.	Age-appropriate versions of sports older people enjoyed in their youth are one potential development source,
The politics of health groups actively works to ensure the public is aware and has access to activity based leisure. Believing it is a 'right'.	Due to the recession, exercise has become an affordable community tool where friends and colleagues are able to socialize	The feel good factor created by London 2012 was widely seen as a one-off, but generated retain and significant power.	Mobile applications to track sports, e.g. 'my fitness tracker' have taken a 15% rise in January.	Health and Safety Law	Weather needs to be taken into consideration making the product water proof for outdoor activity.
Change for life 'widely publicised government campaign'	A study by Juniper research forecasts wearable	Due to the high publicity indicating the importance of exercise, there	Social Media encourages the participation of sports.		Clear instructions and on going service support needs to be

does not only promote healthy diet but encourages regular exercise.	devices to be valued at $19 Billion by 2018.	is a rise in activity group in local communities with the support of councils.			provided especially for the older demo-graph.

(Change for life, 2013; Clifford, 2011; Juniper Research, 2013; NHS, 2013; Mintel, 2013)

3.2 The Current Market

3.2.1 Market Drivers

- Participation growth, particularly amongst women and since London 2012 Olympics, is widening the consumer base
- Surprisingly sports stores have not fallen victim to the Internet and ecommerce, as consumers are still looking to try before purchasing, especially more high end sports apparel products that are seen as a high involvement purchases
- There is a demand for lower cost quality amongst consumers. Brands such as Sports Direct, Decathalon, Intersport and DW sport are benefiting from this

3.2.2 Market Forecast

- Sales of sports goods in the UK are estimated to have broken the £4 billion barrier in 2012
- With a growing profile of players there is a gap in the market. Sports goods retailing is estimated to gain in share in 2013 helped by strong growth at Sports Direct and JD Sports (Mintel Clothing Retailing UK Oct. 2013)

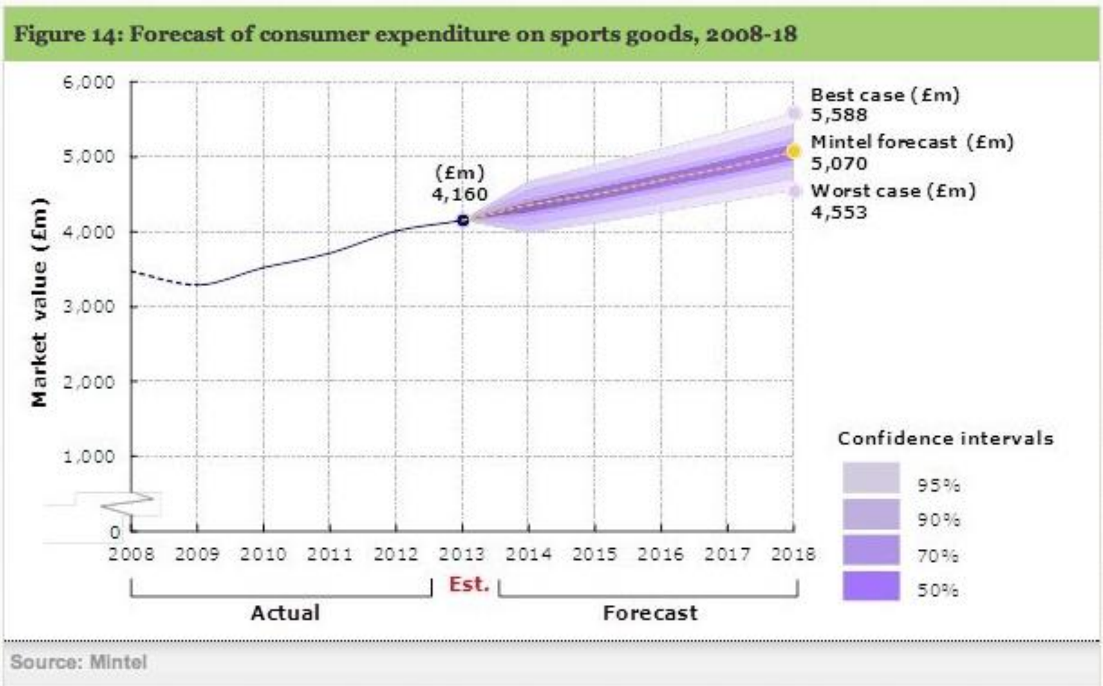


Figure 1.0 Graph depicting forecast of consumer expenditure (Mintel, 2013)

- The fitness monitor market is booming. ABI estimates 61% of wearable electronics are sports trackers. Currently dominating the market are GPS navigation watches, performance tracking apps (solo) and virtual coaches, however currently viewed by consumers as bulky and uncomfortable
- Clothing can benefit from new fabric technologies and its comparatively low cost
- Recently there has been considerable focus on sportswear innovation and NPD from leading and smaller brands worldwide, with many requiring new technology; enhancing the look, fit and performance
- Sports goods buying' remains strong, particularly with specialist retailers

3.2.3 Behaviour Trends

- Consumers demonstrate a growing need to be sure they are making the right choice, therefore knowledge for the consumer remains a strong driver
- Increased sports participation since London 2012 Olympics

3.2.4 Current Market Demographics

Mintel segments the market into clusters of key current consumers based on psychographics, current habits and brand attitudes.

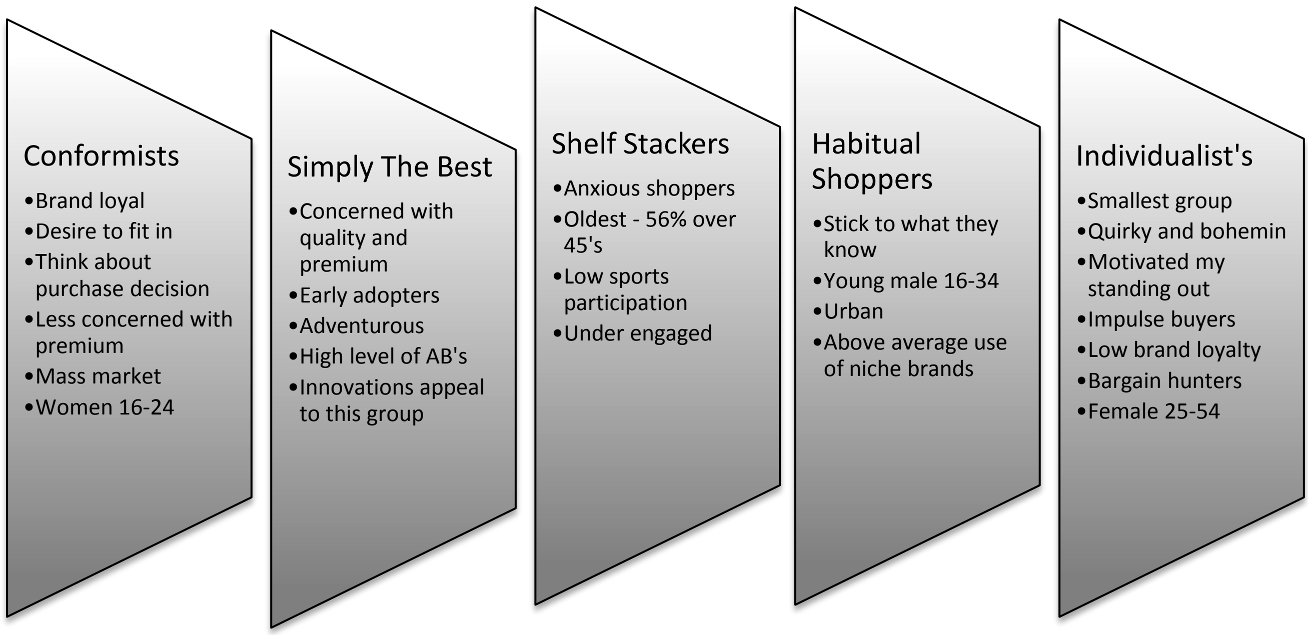


Figure 2.0 Key current consumers in relation to major players in sports good retail (Mintel, 2013)

4.0 Internal Audit

4.1 Company Information

Nike is one of the world's largest suppliers of athletic footwear and apparel, founded in the 1960's it has grown to be a multinational company with revenue of $25.33 billion in 2013 (MarketWatch, 2014). Manufacturing and retailing sportswear, the premium brand held a 2% value share in UK apparel in 2012 and an 8% value share of footwear (Euromonitor, 2013).
Nike has commitment to innovation in order to stay opportunistic, to serve athletes, reward shareholders and continue to lead in their industry. It has always been in their nature to innovate, determined to make a difference they deliver innovative products around the world (Nike, 2014).

Nike's recent innovations include

- 2010 – Eco-friendly technological advanced football jersey
- 2012 – Nike's most innovative marathon singlet yet
- 2013 – The launch of a new app, 'making' (Nike, 2014)

4.2 Competitor Analysis

Nike's key competitors in sportswear market include:

- Adidas
- Puma
- Reebok
- Under Armour

See appendix 2 for competitors' product information, marketing strategies, strengths and weaknesses.

At the top of the list and with only 3% less market share of the global sports goods market in 2012 than Nike, Adidas is considered chief competitor (Euromonitor, 2013). Adidas is a strong innovative sportswear brand and has recently entered the wearable technology market with their latest Smartwatch for runners (CrunchWear, 2013).

While Nike is the market leader in athletic footwear and clothing, Under Armour is considered the 'originator of performance apparel' and is a close competitor within the wearable technology market. However, Under Armour is largely male orientated and much less trusted than Nike, see figure 3.0.

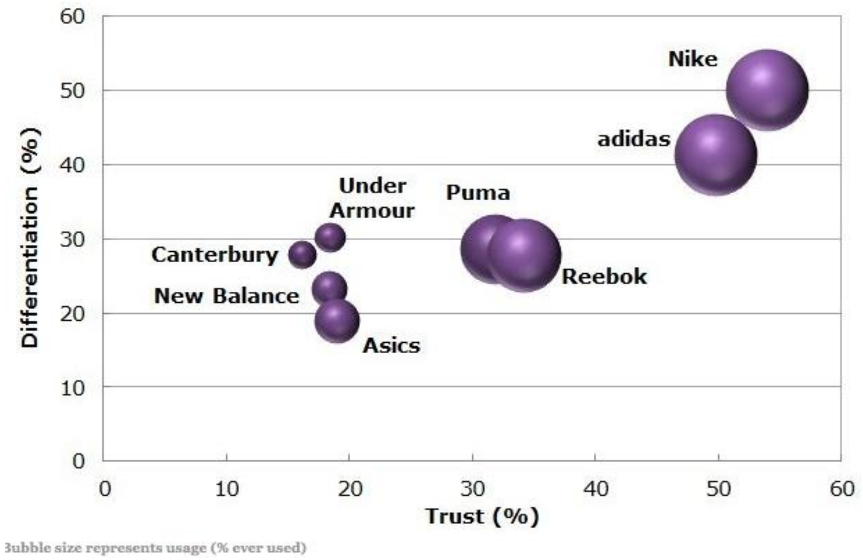


Figure 3.0 Attitudes towards and usage of brands in the sportswear sector (Mintel, 2013)

Although Under Armour is more differentiated than key players Puma and Reebok (see figure 3.0) the brand is much less used and trusted; needless to say Under Armour is growing in terms of reach in the UK market and is a competitor to watch in the coming year (Mintel, 2013).

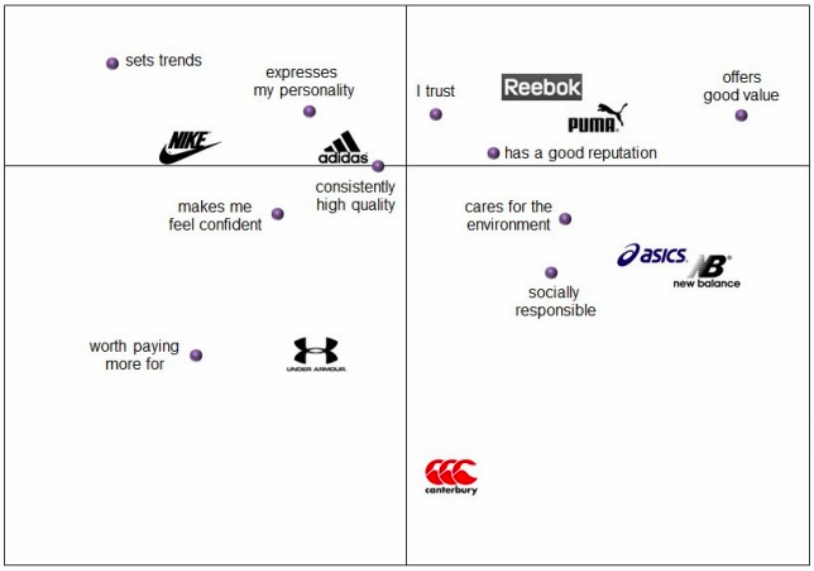


Figure 4.0 A chart to show the level of association of each brand with key performance attributes (Mintel, 2013)

Puma and Reebok may be key competitors for Nike, however it is clear from figure 4.0 that they compete on functional aspects as opposed to personality. Rather than set trends, the two brands are perceived to offer better value for money and are less likely to be considered when purchasing stylish sporting goods (Mintel, 2013).

5.0 TOWS Analysis

5.1 Key highlights

5.1.1 Threats

- The withdrawal of government funding in leisure centers, created privatisation and price increases
- Innovation through market leader focusing on professional sectors
- Patents on certain innovation for sports wear means that adaptation will need to occur

5.1.2 Opportunities

- Rise in sports participation
- Due to the recession, exercise has become an affordable community tool where friends and colleagues are able to socialise
- Health for life campaigns provided by the government
- Mobile applications to track sports, e.g. 'my fitness tracker' have took a 15% rise in January
- Social media encourages the participation of sports

5.1.3 Weaknesses

- Market share heavily relies on footwear sales
- Premium prices
  - Do not offer instalment plan
  - Can not compete with the likes of Puma on price
  - Retail industry is price sensitive
- Anti-globalisation

  Nike can be seen as unethical

5.1.4 Strengths

- Strong, powerful brand, known worldwide
- Widely used across consumer segments
- High quality, premium goods
- Has presence in the wearable technology market
  - Nike+ FuelBand
- Technologically advanced
- Strong social media presence
- Exceptional sponsorships
- Associated with Apple – connected with Apple IPod

(Fast Company, 2013; Forbes, 2013; Mintel, 2013; Nike, 2014)

6.0 Primary Research

6.1 Qualitative Research Decision

Following secondary research we used qualitative research by means of a focus group, as we felt it was important to gain a better understanding of the target market's attitudes to the phenomenon. Through qualitative research we were able to explore ideas and obtain more detailed amount of information. Bouncing off one another, respondents gave more information for our study, which could not have happened using quantitative methods.

The focus group allowed us to gain greater perceptions of social groups wants and needs. An in-depth analysis was carried out, which, when backed up by secondary research, gave us both conclusive evidence to support our product choice and further information regarding designs and features preferred by the target market.

6.2 Key Themes and Analysis

Comfort/ Convenience

- During the focus group it became clear on several occasions that comfort was the most important factor when deciding on whether to purchase a t-shirt for fitness

Support/ Performance Enhancer

- The second most mentioned point was that a t-shirt should help you feel supported, participants felt this allowed them to enhance their performance as they felt good

Style/ Looking Good

- Equally, the style of the t-shirt was an important factor for our participants

Technology and Sports Applications

- Female participants felt they became bored after a while using the applications currently on the market
- When introduced to technology integrated within sportswear it seemed that participants felt this was only available to professionals
- Finally expense was a major factor in their choice

7.0 Product Offering

Nike+ Train360 is an innovative product extension to the Nike+ FuelBand, incorporating wearable technology, smartphone enabled downloads and integrated training aids. We intend to bring this new innovative technology and product development to mass market, to both professional and amateur athletes looking to enhance performance.

It will aid fitness training, weight loss and stamina, for all shapes and sizes and for all fitness levels, incorporating various training regimes and plans such as interval training, cross fit and Tabata, customized via smartphone and tablet integration.

- Measures health – heart rate and respiration
- Performance – stamina, fitness levels and progress throughout the session
- Training – smart app develops a training program, personalised to health, performance and key metrics
- We will incorporate Radiate sports technology

Figure 5.0 Product Concept Visual

8.0 Marketing Objectives

- Achieve 85% product awareness among the target audience within the first year, informing them of features and benefits

- To increase market share by 8% in the wearable technology market by 2015

- To become market leader in the wearable technology sector within sporting goods within the next 5 years

9.0 Target Consumer

Nike+ Train360 will target a hybrid of 2 key consumer groups, segmented by Mintel.

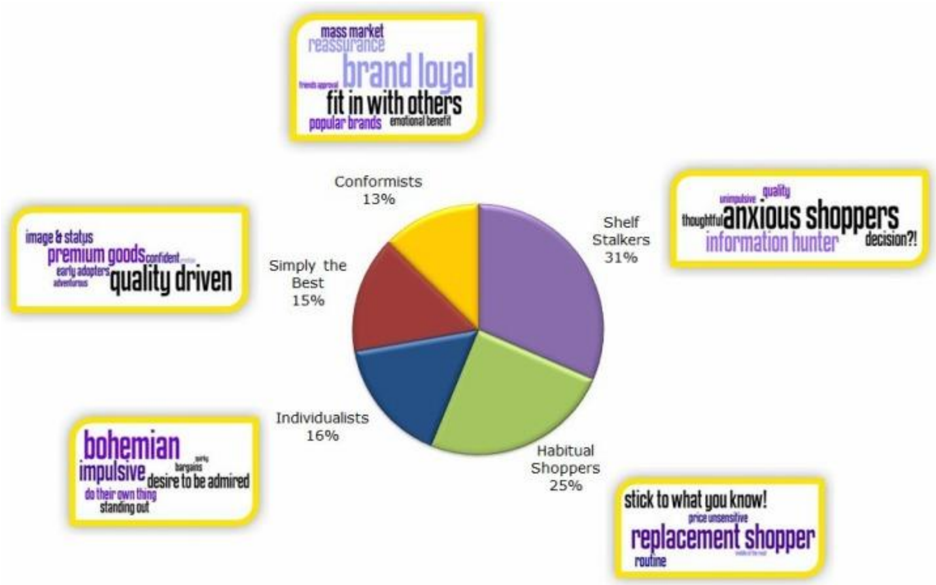


Figure 6.0 Graph to outline key target consumer groups (Mintel, 2013)

- Primarily targeting the segment, ‘First Teamers’
  - Accounting for 28% of the market
  - Core buyers of the sports goods retailing market
  - Happy to buy at above average rates
  - Strongly favour the sports specialists, considering it important to have the latest kit, and are extremely interested in accessories and new gadgets
  - Dominated by under 35’s and are of C2 demographic with an average household income of 25,000 – 49,999
  - Driven largely by product quality and specification and they respond well to new and innovative products

- Supplemented by the segment, ‘Simply the Best’
  - Consisting of early adopters, adventurous consumers who consider innovation a driver

10.0 Generic Strategy

10.1 Porter's 5 Forces

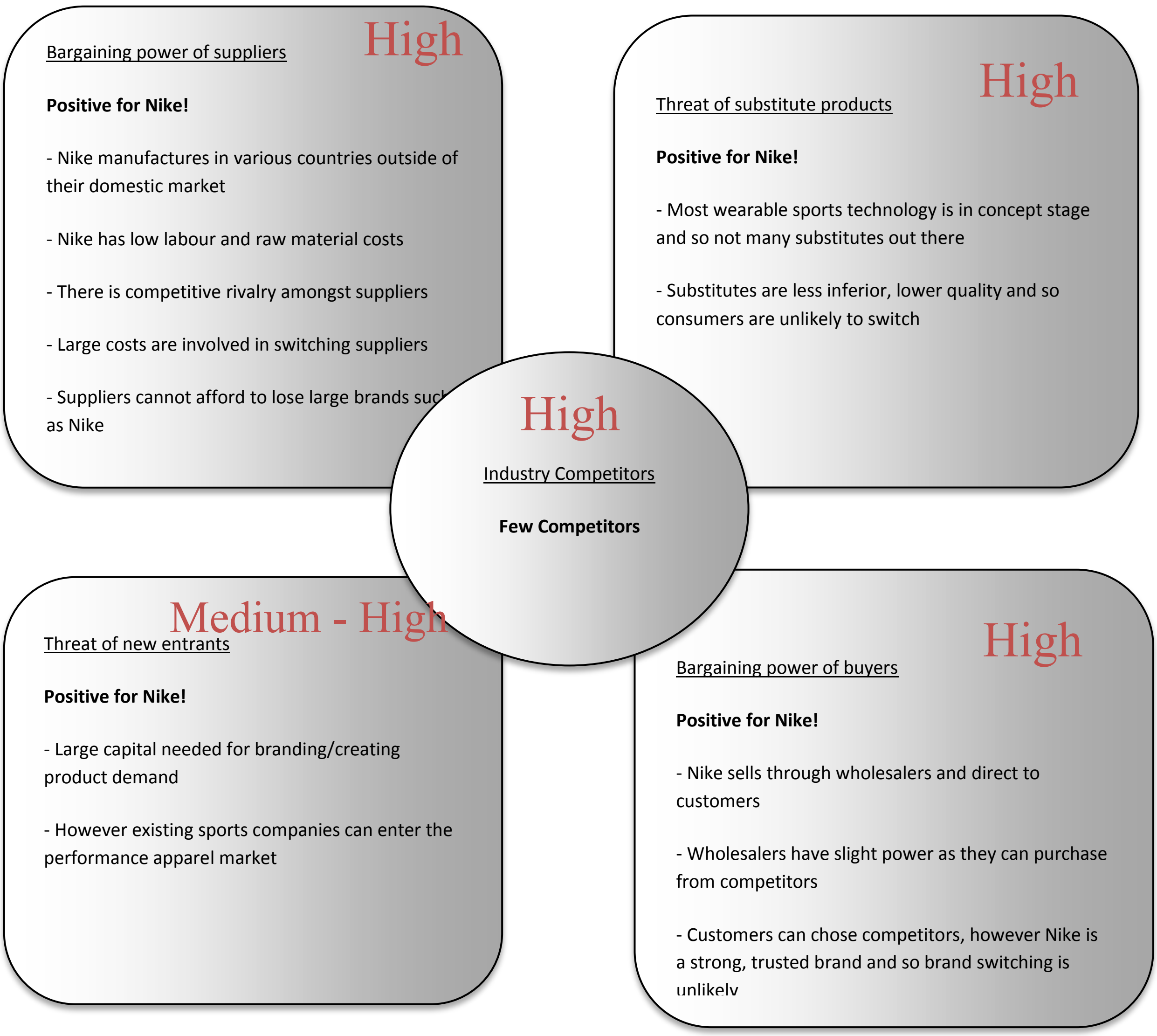


Figure 7.0 Porter's 5 Forces

10.2 Porter's Generic Strategy

	Cost Leadership (-)	Differentiation (+)
Bargaining Power of Suppliers		✓
Threat of Substitute products		✓
Threat of New Entrants		✓
Bargaining Power of Buyers		✓
Industry Competitors		✓

Figure 8.0 Porter's Generic Strategies (Vignali, 2010)

Adopting a differentiation strategy, Nike+ Train360 is distinctive against competitors with added value. Competing on quality and innovation as opposed to price. As a Nike product, Nike+ Train360 will be instantly accepted and recognised by the sporting goods market (Vignali, 2010).

10.2 Positioning

Nike+ Train360 provides innovation; tailored specifically to aid fitness training, weight loss and stamina for all fitness levels. Nike+ Train360 is the most technologically advanced training aid available in the wearable technology market.

The diagrams below summarize Nike+ Train360's positioning.

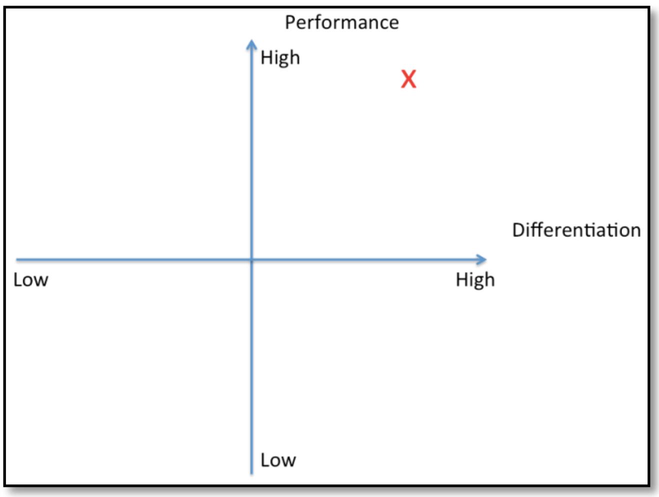


Figure 9.0 A positioning map to show the level of differentiation and performance of Nike+ Train360

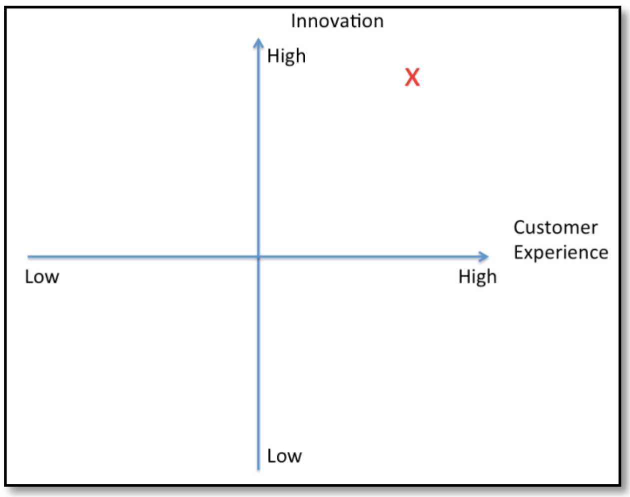


Figure 10.0 A positioning map to show the level of innovation and customer experience of Nike+ Train360

10.3 General Electric Matrix

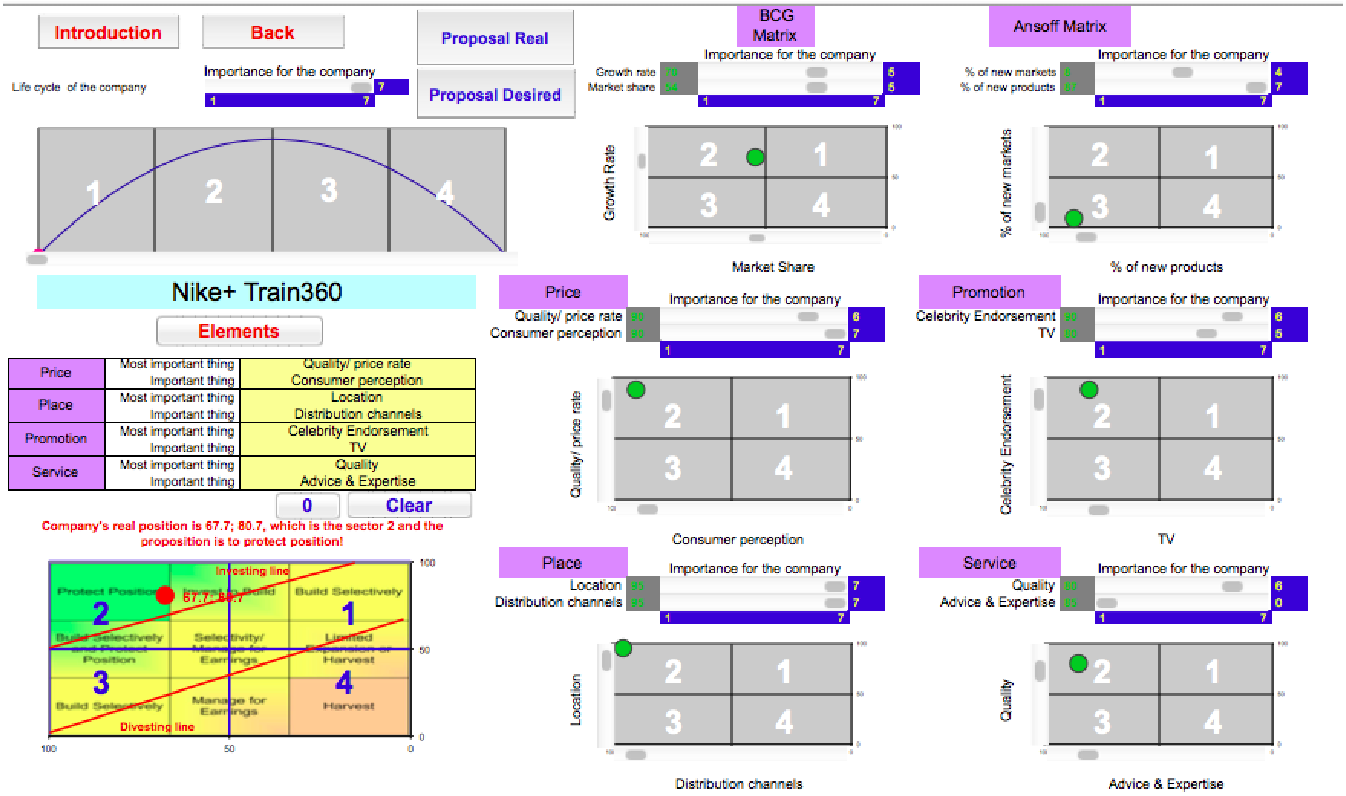


Figure 11.0 General Electric Matrix, BCG Matrix, Ansoff's Matrix, Marketing Mix, PLC.

It is clear from figure 11.0 Nike is in a strong competitive position to adopt a growth strategy and invest into the launch of Nike+ Train360 into the wearable technology market.

11.0 Marketing Mix

11.1 Price

Nike+ Train360 is an innovative, high quality product for which a premium price strategy will be adopted, giving a sense of exclusivity and a perceived aspirational status to users whilst providing a high profit margin for Nike. Shown in figure 12.0 it is clear from research consumers are willing to pay premium prices for high end, innovative products; Nike+ Train360 will launch with top of the range technology and with groundbreaking functions, competing on quality and function as opposed to price.

	Lowest	**Highest**	**Perceived Value**
Primary Research	£85	£130	High
Secondary Research	£25	£50	Innovative product

Figure 12.0 A table to show the price consumers are willing to pay

11.2 Promotion

In order to effectively launch and promote Nike+ Train360, an integrated promotions mix will be used in order to capitalize on consumer segments and to drive reach effectively.

Celebrity endorsement

Within our target consumer segment, athlete endorsements hold particular strong appeal, therefore will intend to use celebrity endorsements in both advertising and public relations, securing endorsement with recent Olympic medallist's Jenny Jones and Lizzy Yarnold; personable female athletes that sit in the hearts of our target consumer, targeting the younger female target grouping.

Advertising

A short advertising campaign via television, online and billboard will be executed using endorsements, driving reach and interactivity. A diverse mix of interactive marketing and advertising will be used via social media integration on sites such as Instagram, Twitter and blogging sites, targeting the opinion leaders and the early adopters to engage in word of mouth advertising.

Nike+Train360 will also capitalize on current sponsorship deals across the Nike brand.

Trade shows

Within this segment, trade show appearance is essential both before and during launch of the product. Competitors and industry opinion leaders will drive this element of the integrated marketing communications efforts, and drive awareness and credibility.

11.3 Place – Distribution

Nike+ Train360 will firstly be introduced solely through already existing Nike+ concept stores, where the equipment and technology can be showcased through interactive screens and onsite experts providing advice and guidance.

Using a pull strategy, the demand will firstly be created through the use of the Nike+ concept stores and a strong promotion strategy, ensuring retailers will surely stock Nike+ Train360.

After 3 months in concept stores Nike+ Train360 will run across Nike's current strong distribution channels worldwide:

- Direct through Nike's 700+ retail stores
- Specialist retailers e.g. Decathlon
- Wholesalers
- Department stores
- E-commerce (both direct and through retailers)

11.4 The Extended Marketing Mix

Essential for this product launch, people, process and physical evidence will all be considered in the extended marketing mix.

- People – the service provision for the product in concept stores, in store, and advertising, industry experts will be consistent in delivering knowledge and demo's – a key element that the target audience feels is missing from current competitors
- Processes – included in the concept store launch and the environment in which the product is delivered throughout launch
- Physical evidence – There is a clear consumer need for physical advice and knowledge transfer when purchasing a high involvement purchase such as Nike+ Train360

12.0 Appendices

12.1 Appendix 1 – Moodboard

Train

Progress

Measure

Innovate

£69.99

Motivate

Incorporate

12.2 Appendix 2 – Competitor Analysis

Company	Adidas	Puma	Reebok	Under Armour
Products	Sportswear, athletic footwear and accessories	Performance and sport-inspired lifestyle products	Athletic shoes, clothing and accessories	Originator of performance apparel Innovative sports clothing, athletic shoes and accessories
Pricing	Premium	Premium	Skimming	Value based
Marketing Activities	A key marketing and communication strategy is to harness the emotion of sport across all communication channels Digital marketing now acts as a backbone for all brand marketing activities Innovation messaging is a key priority for the brand in 2013	Exciting collaborations with renowned design brands such as Alexander McQueen and Mihara Yasuhiro Objective is to be fast in reacting to new trends, fast in innovations, fast in decision making and fast in solving problems for our partners 'The Yard' An integrated online and offline social experience hosted by Puma during London Olympics	Reebok FitHubs - Committed to offering people who love fitness the best in products, training and advice Concept stores - Product and fitness experts offer the guidance to keep you motivated Sponsorships with Jay Z and 50 Cent and Miss Korea	My39 'submit an idea' Active across social media platforms Sponsorships with NFL teams PR featured with ESPN
Strengths	-Strong brand -Strong international operations -Strong distribution chain -Online Presence -Innovative	-Strong partnerships with companies such as BMW -Well known brand name -Official sponsor of FIFA football world cup -Innovative	-Strong brand -High market share -Premium and mid range products -Had multiple celebrity endorsements -Sponsors mixture of sporting events/sports teams	-Professional & Amateur sponsorships -Strong brand Official outfitter of schools and universities
Weaknesses	-Premium prices	-Tough competition with limited market share	-Anti globalization -Easily copied/replicated products	-Premium pricing -Male orientated

LEGENDS ATTAX TRADING CARD GAME

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ABSTRACT
This report portrays the strategic marketing plan for a new trading card game within the children's toy industry. Legends Attax is a variation on the heavily popular card game, Match Attax, where past and present footballing legends can be played and traded with. In addition to this, short video clips of that particular player can be seen through the augmented reality (AR) technology on mobile devices. Initial secondary research highlighted that there is a market for such products and that incorporating some form of unique selling point will ensure that overcoming the saturated market is possible.

Focus groups demonstrated that 8-11 year old boys were keen on the idea of Legends Attax as it fits in with their pocket money budget, they can play and trade the cards at school and they can use their parent's gadgets to watch the AR technology part of the product.

Key Words: *Trading Card Game, Marketing Strategy, Augmented Reality, Toy Market, Children, Situation Analysis*

1.0 Executive Summary

Topps is a leading trading card game manufacturer distributing products to over 1.2 million children in the UK contributing to £32.2 million gross profit within the first 2 years of trading (SportsCollectors,2011). To boost sales and growth in the market, we are able to develop a marketing plan to introduce a new variable of trading card game with an added twist. The launch of this product will include a playable app which lets the consumers directly interact with the game by scanning an AR code on the back of the card to bring up information about the players and includes extra playable content.

We believe targeting the current 8-11 year old male market in which Topps currently have dominance, and with the implementation of new marketing strategies are able to offer a different approach operating in the high quality mainstream market offering a product which provides elegance and integrated technology which will provide long term market dominance and establish a stern reputation.

2.0 Situation Analysis

2.1 Market Summary

Topps is the biggest player in the trading card industry, producing the likes of Moshi Monsters, Doctor Who, Disney Princesses and Match Attax. Legends Attax will be the new trading card collection within the Topps range and is somewhat similar to Match Attax. Therefore it is fair to draw comparisons and similarities between the two trading card collections.

1.2 million children in the United Kingdom enjoy Match Attax. This shows that there is a large market which Legends Attax can take advantage of. The Match Attax target market comprises of 8-11 year olds, therefore it makes sense for the Legends Attax trading card to target them too. However, with there being lots of alternatives in terms of none football trading card games, the market has started to become saturated. Therefore it is vital for Legends Attax to implement some form of USP (later explored).

Within the first 2 years of trading, Match Attax was a huge success and gross profits of £32.2 million were recorded for Topps (SportsCollectors,2011). We can therefore see that there is scope for a Legends Attax to be highly profitable and by launching this product as part of the Topps range will give the card collection range added credibility. Furthermore, trading card games have a long life span and the likes of Pokémon and YuGiOh cards still sell well. This therefore highlights the strength of the competition. These well-known brands have been going for years and this as a result demonstrates how as one age group grows out of the trading game trend, another one grows into it.

Taking into account the technological aspect of the Legends Attax trading card game (the mobile application and Augmented Reality (AR) code on the back of each individual card) we can see that games are heavily popular amongst the target market. Such games include Candy Crush, Temple Run and Angry Birds
Of mobile phone users in 2012, 58% used ios and a further 22% were Android users.(Mintel, 2012) Many of these people allow their children to use their phones for various methods of entertainment (such as playing games or watching videos etc.) This is where we felt we could make another unique selling point for our Legends Attax product by implementing the AR technology.

In addition to this there is the possibility for Legends Attax to gain revenue through in-app purchases, which have become really convenient for the consumer in recent times. This is backed up by the fact that the App store sales topped $10 billion dollars in 2013 (Apple, 2014) (and this does not take into account the Android Play Store and Microsoft Store).

In summary, Legends Attax is hoping to take advantage of this saturated market by incorporating AR technology as its unique selling point in order to appeal to the modern day 8-11 year old boys.

2.2 Marketing Research

2.2.1 Focus Group

Many seem to enjoy collecting and trading the cards or have done in the past and so it suggests that Legends Attax may be something that they'd be interested in. This is even more so if we can bring back the appealing factor to those who used to have a card collection, whether it was Match Attax or not.

Mixed response. Some still play, others have done and some have never. There was noticeable excitement amongst the majority of the children when discussing this topic.

The biggest enjoyments came from trading and playing with friends and opening the packs to try and find a rare card.

Many of the children wanted to see more shiny cards and so therefore it would be wise to make the Legends Attax shiny also – with the rare cards as something with a different design perhaps. A fair amount of the children were also unsure of what they would change about the Match Attax cards.

Lots of the children take most of break and lunch time to play and trade their Match Attax cards. This would therefore highlight that perhaps Legends Attax could follow suit and be played with over break and lunch periods. Less popular as they get to high school though where they leave the brand (and younger collectors join in the trend).

Most of the children play on their parent's phones/tablets and some of them actually have their own. The most common activities amongst the children is playing games and watching videos. This shows that children know how to use these gadgets to their full ability and would therefore be able to pick up on how to use the AR technology relatively easily.

Lots of the children get pocket money on a weekly basis as a reward for good behaviour or alternatively parents buy them pocket money types of products. They often buy sweets and their favoured trading cards. Interestingly some save their pocket money for something slightly expensive (e.g dvd's) which may be beneficial for a ring binder to store their Legends Attax (which will cost above their average pocket money of £5).

On the whole the children were quite keen on the idea of the AR technology. It was something new to all but one of them and they liked the idea that they would be able to see a video based on the player on the respective card. It looks like something that they would be interested in on the whole.

2.3 SWOT Analysis

2.3.1 Strengths

The Match Attax brand is well established in the United Kingdom and European countries, the brand is bigger due to Football, a number one sport in these territories. Match Attax is enjoyed by 1.2 Million children each season in the UK alone (Sportindustry, 2011). The cards are priced at £1 for a 10 pack of cards, this is very collectable and affordable for the target audience, and a news article by the BBC News (2011) finds that the average pocket money for 11 year olds is £5.05, which shows the affordability of the product. The availability of the product in newsagents, toy shops, and supermarkets, with the product's low shelf space, it is widely available in a number of outlets.

From an Apple Quarterly report (2014) it shows that the App store generate over $1 Billion in revenue, with Free to Play apps being the biggest downloadable games of the past year. Mintel (2012) shows that over 58% of people use iOS, Apple's smartphone operation system and with other operating systems to expand on such as; Kindle Fire and Android devices, which are all able to use Augmented Reality technology.

2.3.2 Weaknesses

One of the main weaknesses for the product is the over-saturation of the brand, as Topps has many other non-sports branded line of 'Attax' range. By introducing a new product to the range, the portfolio can become too big and can start to alienate the target market.

2.3.3 Opportunities

To implement AR technology in the cards to extend the replayablity and adding a new feature those children can enjoy. According to Mintel (2012) 58% of mobile users have access to smartphones, which is the primary audience for the application. It is found that over 170 million Ipads have been sold since Q4 2013, it shows the size of the potential audience. It is found that over 52% of children under the age of 8 use electronic devices such as; iPod, iPad or Iphone, (Common Sense Media, 2011).

2.3.4 Threats

The popularity of other non-sport trading card games that have been on the market for over ten years such as; Pokemon, Yu-Gi-Oh! And Magic: the Gathering. These brands have worldwide appeal and can be a big threat to Match Attax brand. The Pokémon trading card game has an online component that has millions of unique users registered and Pokémon (Pokémon Company, 2014) has an available app, (Pokémon Company, 2014).

3.0 Marketing Strategy

3.1 Mission

Our mission is to create a new product for the Topps range of Match Attax brand by creating a new line of football trading cards. The Match Attax brand is a popular brand throughout the UK and Europe, due to Football being a number one sport in European countries. These cards will be integrated with augmented reality technology that can be used on smartphones and tablets.

The product is aimed at the children’s market, at boys aged 8 – 11 years old; we aim to add replayablity to the trading cards and an interesting new feature that children can enjoy with the uprising use of technology.

3.2 Target Markets

Segment – With Match Attax already being a popular brand amongst 8-11 year old boys, this will be the segment that Legends Attax will appeal to.

Target – More specifically, we will be targeting schoolboys. This is a key trend within the segment and something that we will look to capitalise on.

Observe – We observed by conducting the four focus groups so that we could get a stronger idea of what their thoughts and opinions were surrounding Legends Attax.

Position – We will therefore position ourselves according to the primary and secondary research found (pocket money prices, corner shops, supermarkets, news agents, eye level, on the counter etc.)

3.3 Positioning

3.3.1 Boston Matrix

The app market is highly competitive and rapidly changing. This makes it difficult to place products and decide where to place them on a Boston matrix. This is also a mixture of free to download apps and pay to purchase apps. Successful apps; such as Candy Crush, Angry Birds and Temple Run cannot rest on their laurels in the market and must constantly use extension strategies to extend their product life cycle.

We have placed ourselves out of the Matrix because currently we are not in the market. As a free to purchase App with additional downloadable content we will also struggle initially to make money out of the App market. Our main focus for income will have to be through the cards themselves.

3.3.2 Ansoff Matrix

Because we are launching our product as part of an already existing Topps collection, we already have our market which is 8-11 year olds in the UK. The product, however, is a new one as it is a slight variation of their already existing product 'Match Attax' and so therefore will fall into the category of Product Development.

3.3.3 McKinsay Matrix

Using the marketing 'Stratics' model to establish our position within the market we were given the position of investing to build and to carefully manage the earning. This means that we will have to carefully (Appendix one) invest in the new product line to make it a successful brand. Though there is little threat in the sports trading card market, the non-sport trading card market has strong competitors that have been on the marketplace for years. The Match Attax popularity in the UK will help the brand to become successful among our target market.

3.4 Strategies

3.4.1 Porters 5 forces Analysis

Michael Porter provides an explicit framework to observe the current marketing position of the company analysing the structure of the industry and the level of competition within the industry. The five forces analysis helps provide a strategic plan for the product and secure a strong position into the market.

Threat of new entry. **Positive (HIGH)**

This sector has low barriers to entry meaning that there are only few requirements. Skill and expertise about the market is needed but no other infringements restrict new products being entered into the market. Little capital is required to produce the products and no legal requirements need to be met. However this does not mean that there are many new entrants into this market, this is positive.

Buyer Power. **Positive (HIGH)**

The target market is price inelastic if the price is affordable and of high quality. Substitutes are not readily available which means that there is little competition between rival products. Although because of the characteristics of the target market, orders will be small, frequent buying is intended which means that overall this is positive.

Threat of Substitution. **Positive (HIGH)**
There is not much direct competition towards the Legends Attax trading cards. The threat of substitutes comes from products from sectors outside of football such as Yu-gi-oh and Pokemon cards. However the USP brings another attraction to this brand which will be hard to rival from any competitor's products.

Supplier Power. **Positive (HIGH)**
Resource to produce the product, which is recyclable card, is readily available which means that suppliers have very little bargaining power. The cost of changing suppliers is minimal while not reducing the quality of the product, therefore enabling us to use the best quality of card for a low price . This is positive.

Competitive Rivalry. **Negative (LOW)**
Overall there is very little direct competition within the trading card game market. However the target market is diverse, in respects to disposable income, any products which the 'children' will spend their 'pocket money' on is classed as competition. The size of the company, however, is bigger than any of the 'direct' competitors and is well known within the target market. However the target market is also loyal and highly interested in collectibles. This is moderate.

3.4.2 Generic Strategy

Because the Porter's five forces analysis suggests a more positive approach, the strategy which is best suited for this enterprise is differentiation. This means that there will be high promotion, high placement, high price and high quality by creating a product which is unique within the industry and valued by the target audience.
This strategy will ensure that we will secure a good market position and look to grow in the early stages of the launch. Using differentiation ensures that money spent on the 'marketing mix' is high ensuring that we reach the intended target audience.

3.5 Marketing Mix

3.5.1 Product

The actual product is basic, easy to produce and most importantly has low production costs. The card will be a simple piece of recyclable card displaying a player's name, picture and stats. The back will have the Legends Attax logo and will also have the AR code which will be used to make the product more interactive and feed in with the app.

3.5.2 Place

The positioning of the product in terms of where it will be placed is of huge significance to the success or failure of the product. As 8-11 year olds are limited with where, when and often how they can purchase the products it's pivotal to place the product correctly. The consensus is to place them in toy stores, magazine shops, supermarkets and convenience shops. This is due to them being more readily available to our target market.

The actual placing of the product within the stores is also important. A prominent position within stores as POS (point of sale) purchases will help encourage children at the checkout to encourage the parent or buyer to finalise a transaction. This decision making may also be taken up by parents if they see the cards at the till and decide to buy their child the product as a gift.

3.5.3 Price

Our actual price is kept low so as to fit in with the disposable income of our target market. A retail price of £1 per pack of 10 cards makes the product affordable for 8-11 year old boys. Our focus groups showed us that the majority of children were receiving money weekly from their parents in amounts of around £5 on average. This makes the product affordable but doesn't alienate many potential consumers. This actually makes the product relatively price inelastic which means the state of the economy doesn't have much of an impact upon demand for the product.

3.5.4 Promotion

We looked at the methods in which Topps currently promote Match Attax and were surprised with the lack of promotional activities undertook. TV adverts have been used historically, but only during the introductory stages of the new season (around July & August). This is a potential avenue but due to Match Attax being a collectible, most of the target audience will not want to begin their collection midway through a season. However in the case of our Legends Attax the product could begin being purchased at any point in a season with only new waves of cards being introduced in addition to the earlier phases.

Another area of promotion that could be utilised is advertising in magazines. Children's magazines often contain freebies and giveaways and this could be used to initially raise awareness of the product. Advertising in these magazines is also a potential source of promotion. Competitions would also be a relevant avenue to create awareness of the product which could be run in magazines.
One final relevant method of promotion would be the creation of promotional POS imagery and packaging to raise awareness and draw interest in the product. Visually striking display units of the product could engage with the target audience and garner interest.

4.0 Marketing Objectives

1. To successfully achieve one million downloads in the first year of launch of the Match Attax Augmented Reality application on the Apple App Store and Google Play Store.
2. To make ‘Legends Attax’ the biggest selling Topps brand by 2016.
3. To successfully sell 400,000 individual packs in the first six months and increasing that to 1 Million by the end of the season.

5.0 Conclusion

To conclude we feel the extension of the Topps Match Attax brand into a Legends format will be a great success. This is due to many different factors including; the popularity of football amongst our target market, the strength of the Match Attax brand and the lack of direct competition. All of these form a strong position for success.

If the Legends Attax product is positioned accurately in the market along the guidelines advised, we feel this product could be a great success and become one of the trading card games market leaders.

For further information and analysis please visit the Prezi presentation we created on:
http://prezi.com/3xttgnvi0odz/legend-attax/

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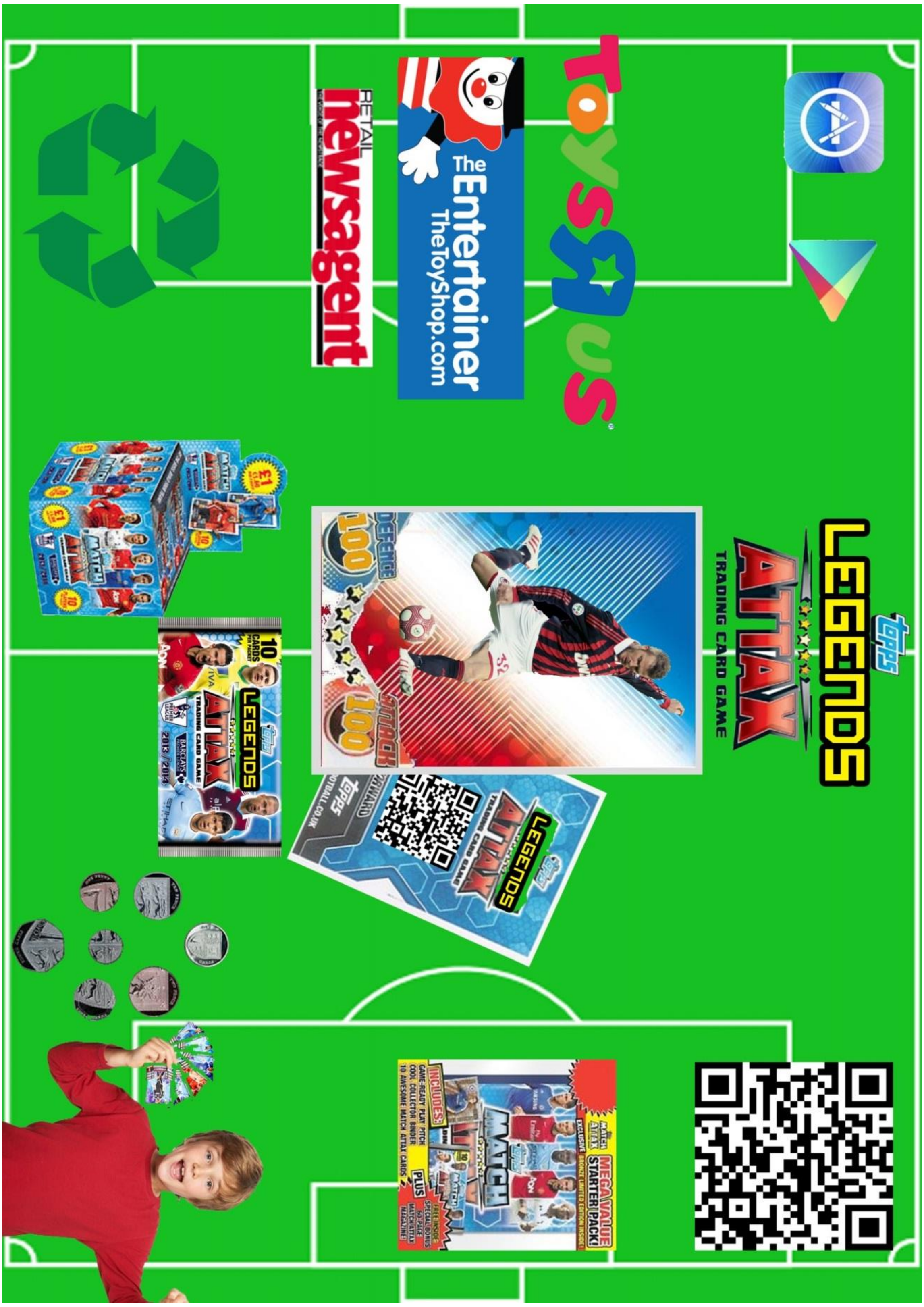
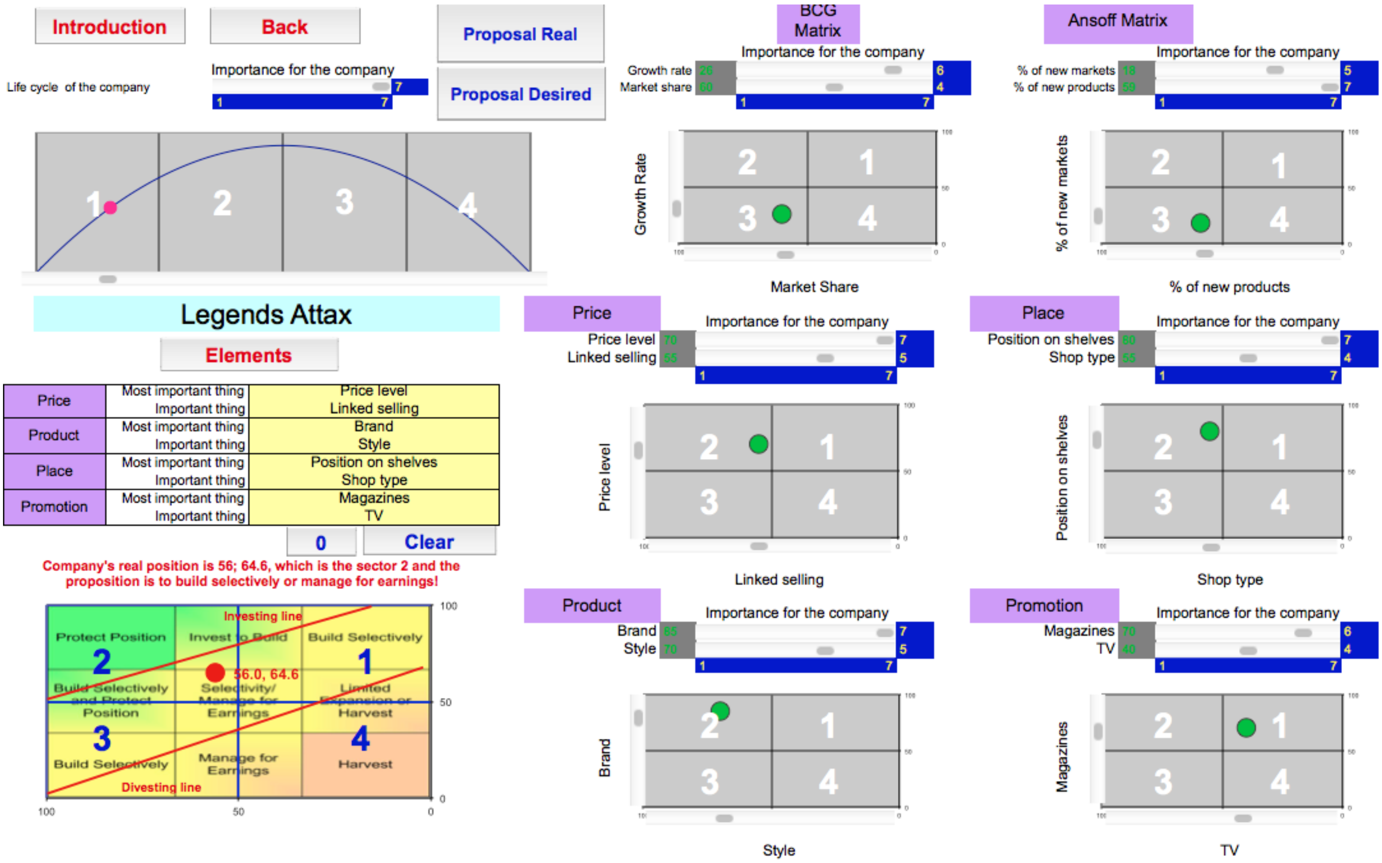
Appendices

Appendix 1 – Mood Board



Appendix 2 – Stratics Model



FEMME FITALE

Beaumont, J., Hassan, M., Shatwell, E. & Neadley, A.

Executive Summary
Femme FITALE is a service that offers health and fitness advice, and delivery of personalised sports nutrition and supplements, in premium packaging, targeted at females 18 to 60. By offering a well-rounded service, Femme FITALE addresses women's needs and uncertainties and encouraging them to fulfil their health and fitness goals by consuming the products sold. Because we are not simply offering an ecommerce service of sports nutrition products, the complete packaged service differentiates us from any potential competitors. The strategic differentiation approach allows Femme FITALE to maintain a unique competitive advantage.

Key Words: *Fitness, Health, Sports Nutrition, Protein, Supplements, Female*

1. Mission Statement

Femme FITALE is a service that offers health and fitness advice, and delivery of personalised sports nutrition and supplements, in premium packaging. See Appendix 1 for our brand ethos.

2. Market Research and Situation Analysis

2.1 External Analysis

Political and Legal

- 2009 legislation states dietary and bodybuilding supplements are subject to the same licensing as pharmaceuticals – cannot claim products have medicinal effects or cure any illnesses.
- Any product that claims to have a metabolic or physical effect must have a marketing authority.
- Trade Descriptions Act and food labelling regulations require clear labelling to include all ingredients and dosage advice.

Economical

- UK fitness market is the biggest by value in Europe
- The total market value for the fitness industry is £3.92billion: this being a 1.5% rise in value from 2012, and a 4% rise since 2009, despite the overall UK economy. This is showing strong signs of continuation.
- Sales of vitamins and supplements saw growth of 11% in 2012. (Mintel 2011)

Social

- The main reasons potential female gym users say motivates them to increase fitness are: losing weight, looking better and feeling better about themselves. (Mintel 2013)

- Driven by increasingly proactive consumer fitness trends, sports nutrition witnessed impressive growth during 2007-2012, averaging 7% constant value growth. (Euromonitor)
- The Baby Boomer generation (born 1946-1964) are demanding nutritional support and are increasingly keen to stay active longer. This consumer group is yet to be capitalized on in the area of sports nutrition.

Technological

- Continuing growth of social media, successful in building awareness, branding, and interacting with consumers.
- E-commerce sites offer multiple delivery options, e.g. next day or nominated day.
- The use of an online presence and personalized programs through videos and result tracking is found to keep consumers engaged.

Environmental

- Consumers generally are more inclined to support organisations showing responsibility and sustainability, e.g. recycled/recyclable packaging.
- Many consumers are willing to pay a premium price for natural and environmentally friendly products, for example, recyclable cardboard packaging.

2.2 SWOT Analysis

Strengths • Offering a well-rounded service, saving customers from shopping around. • Gift boxed, premium packaging and the service aspect all form part of our USP. • No direct competitors in terms of our unique offering. • Not just a product offering, also there is advice, support and interaction.	Weaknesses • Packaging will add to costs. • Competition coming from suppliers selling individual products at cheaper prices, e.g. Pink Protein.
Opportunities • Female consumers are becoming more aware of the benefits of protein and supplements. • Sports Nutrition averaging 7% constant value growth. • To educate consumers as 82% of fitness fanatics, do not have post-workout nutrition habits. • Protein gaining mass-market appeal. • Nutritional support being demanded by an older generation that is increasingly keen to stay active longer. • Opportunity to drive sales by offering more premium vitamins/supplements, represented by premium packaging.	Threats • Products used to be associated with bodybuilders and linked to steroids and banned substances. • Un-informed consumers may associate the products as masculine and just for men. • Could be labelled as ‘fad’. • Similar competitors on the market, e.g. “Femme” and “Inner Me".

3. Objectives

- Femme FITALE will launch an online service targeted at the 18 to 60 female segment, increasing awareness levels through marketing and promotional methods.
- To break even after the first 12 months of trading.
- To start making a profit by year 3.
- To obtain a 4% market share by year 4 – on the basis that other leading sports nutrition suppliers such as Sci-Mx Nutrition only have 3.9% market share as they are simply retailers of individual sports nutrition products

4. Porter's Five Forces

Bargaining Power of Suppliers

To begin with, Femme FITALE will buy products from wholesale distributors, e.g. CLF Distribution. This will keep costs down, and ultimately keep the service simple for our consumers. However, this leaves the suppliers with more power, as we will have to rely on them more so than if there were a great number of suppliers in our network.

In addition to this, the product's sold are not 'unique' within the sports nutrition market and so could be found elsewhere without excess cost; the supplement, fitness and nutrition industry is currently trending widely, and so the number of suppliers is quite high.

This would lead us to suggest that the suppliers would not be likely to drive costs up.

Bargaining Power of Customers

Due to the trending industry of supplements, nutrition and general fitness, there is considerable buyer power; sports nutrition can be bought in a variety of ways, including over the counter in any supermarket or health store, as well as online retailers. This means Femme FITALE will need to keep prices low enough to be a competitor in the health and fitness market, but high enough to give a unique offering, making a profit for sustainability.

Threat of New Entrants

The threat of new entrants to the industry is low; there will be new entrants to a point, however there is a requirement for capital in order to be able to provide a variety of products and services to consumers. This reduces the number of new entrants significantly. In addition to this, not all new entrants will offer the unique packaged services that Femme FITALE aim to, which again lowers the threat of new entrants or direct competitors.

Threat of Substitute Products

As stated earlier, there is a current trend for supplements, nutrition and general fitness. This has led to a significant rise in the availability of over the counter supplements and nutritious snacks and foods, as well as over the internet services. These products may state that they perform similarly to that of more expensive, branded products; however they are simply a low cost alternative that lack the benefits of the products Femme FITALE will be including in the packages on offer.

Ultimately, the threat of substitute products will be high.

Competitive Rivalry within an Industry

Competitive rivalry is also considerably high in terms of supplements; however there is little competition in terms of the unique packaging element that Femme FITALE offer, as well as the service of advice, information and online videos, and the general feel of the service in regards to it being a 'gift' for women.

Therefore the competitive rivalry can be considered to be relatively high in terms of product offering in relation to our female target market.

5. Strategy Development

The most important elements for Femme FITALE include the service offering, the products supplied, all of the promotion elements and the pricing of all three packages. By combining these components and analysing the importance towards the brand's success allows an 'invest to build' position in accordance to the GEC matrix (see Appendix 2). Due to this being a brand new service entering into the market we currently have no market share or market growth. Our generic strategy will be to differentiate our service from any other similar supplement and fitness service on the market. This is due to the analysis of Porter's Forces and finding that three out of five were high. This will require great financial investment into all the areas of marketing; however we feel our unique offering will allow us to reap back the initial investment.

Femme FITALE will achieve sustainable advantage by innovating and creating value both for the buyer and the company but at the same time position itself as a premium packaged service. As an innovating company, Femme FITALE must also decrease or eliminate features of the service that are less valued by its current or future market.

6. The Marketing Mix

Product

Femme FITALE will offer three different packages with slogans 'I want to…', 'Lose the Weight', 'Tone it Up' and 'Gain the Muscle'. This will allow customers to differentiate themselves in relation to their needs and wants from us as a supplier. Each box will contain products already sold on the market, sourced from a wholesale distribution network, CLF Distribution (CLFdistribution.com - see Appendix 3). This will allow costs to be lowered and by contacting particular brands direct may also allow for discounted bulk buying.

As a female orientated brand, Femme FITALE will offer a wide range of products suitable for women which are often perceived to be solely for men. Please see Appendix 4 for some examples of the products and supplements which will be included in all three packages. (*Please note that all products featured will have an individual description of ingredients, how to use, when to use and the benefits of use. Certain products may overlap into all three boxes.)

The packages will come in three sub-headings; 'Beginners', 'Intermediates' and 'Pro's'. All categories will have a choice of all three boxes, including the choice to lose the weight, tone it up and gain the muscle, at a more premium cost (see Appendix 4).

Packaging

This is an element of our main unique selling point as Femme FITALE wants to give customers a way to spoil themselves with beauty orientated packaging. According to Mintel (2013) sales of supplements with lifestyle and fitness elements are becoming increasingly popular and there is an opportunity to drive sales through this channel by offering more quality products, which could be represented in the form of premium packaging. Additionally, products for the improvement of appearance could be positioned as a gift to yourself, "To me…from me". We want our customers to feel like they deserve their gift boxes and also that the products have healthy benefits.

The main features for Femme FITALE's packaged boxes will be;

- Recyclable cardboard box exterior with a gold and purple colour scheme, representative of the brand.
- Gold tissue paper encasing the products.
- Unique gift tags included inside, personalised, e.g. "Dear Daniella, we hope you enjoy your package and reach your goals, Lots of Love, Femme FITALE. Xx ".
- Within each box will be a description leaflet outlining what to do and how to use the products.

Price

The pricing strategy will be relatively complex due to the various product options. There will be three categories that the consumer will fall into; within those groups will be three product options for the consumer to choose from, according to whichever fits their needs the best (see Appendix 5).

As a company we ideally aim to make the products affordable for our target market (females aged between 18 and 60), and for the price to reflect the value of the features and benefits we are providing.

With this in mind, a 'market penetration' approach will be taken as the service is new to the market. Due to the findings from our focus group, low introductory prices and discounted trials can be set whilst the brand is widely promoted to gain awareness from the target market and potential consumers.

With this in mind, we will be setting a subscription and monthly contract rate, but also a 'pay as you go' option whereby consumers can purchase as and when they wish. This appears to be less intimidating for women starting out in their fitness regime.

1) For Group 1 (Beginners) the boxes will range from £15 to £25
2) For Group 2 (Intermediates) the boxes will range from £25 to £40
3) For Group 3 (Pro's) the boxes will range from £40 to £50

Place

Femme FITALE will launch itself and be located online, each of our products available to order and subscribe to (monthly as standard, unless otherwise decided) through our website, www.femmefitale.co.uk.

According to search engine analytics, key fitness terms such as "getting fit", "weight loss", "help toning up" have had maximum interest in the UK and Ireland in the last 12 months, steadily increasing with a peak being hit globally in January 2014 (see Appendix 6).

People

At Femme FITALE, we are all passionate about health and fitness. Our aim is to break down the barrier between men's and women's fitness stereotypes, encouraging and educating women to achieve their fitness goals in a healthy manner, lasting into the long term. This will be the culture of our workplace, in terms of management and customer service. Our management style will be fair and encouraging, and we will treat our customers with respect, inspiring them without being patronising.

Process

As Femme FITALE is an online service and an opt in monthly subscription supplement delivery package, customers have the choice to pick.

The first step in the process will be signing up to receive one of our three packages ("I want to…" 'Lose the Weight, 'Tone It Up' and 'Gain the Muscle'). The customer will then choose to either subscribe monthly or purchase one-offs according to their personal needs, this being due to the primary consumer research conducted, in which participants expressed their concerns over how quickly they would use a box. If subscribed to the monthly option, it will then be sent out to them the same date every month until they may so wish to make alterations to their order or cancel.

From the moment they subscribe, customers will also have access to our online services, including our blog, fitness tracker, video workouts, healthy recipe ideas, and forums through which they can communicate with other members. These services will be available for customers twenty four hours a day online, as we want to make sure women realise they can always make time for fitness and that our products and services can constantly be there to support them.

Promotion

Our promotional choices are essential to communicate our core values e.g. making women feel good about themselves, and also to maximise on our unique selling point; Femme FITALE is a way to treat yourself.

To raise brand awareness, we will create a large presence and build an online community through social media platforms, which are currently largely used by consumers of the fitness industry.

- Interactive brand pages on Twitter and Facebook, posting relevant and interesting updates and largely communicating with consumers, fitness professionals and enthusiasts.
- Online interactive Q&A sessions e.g. "Ask a personal trainer" #AskFemme, using Twitter hash tags to gain traffic to the page.
- Demonstrating the brand values and benefits through posting relevant material to popular platforms Instagram and Pinterest.
- A Youtube channel providing snippets of exercise advice and tutorials, to create interest in the full content available on the DVDs offered in our packages.
- Youtube videos or downloadable Podcasts of interviews with relevant industry contacts e.g. fitness model's such as Nina Ross (ambassador for MyProtein.com)

Advertising vehicles including:

- Advertising in gyms e.g. on television screens or posters etc depending on what is offered. It will be more realistic to begin by approaching smaller, independent, women's or council gyms and fitness centres because of budget.
- Print advertisement will be placed in women's lifestyle magazine Woman and Home, with a median age of 35 (IPC) and a broad lifestyle approach. The adverts will be very visually attractive, emphasising our USP that our product is a woman's gift to herself. This reflects our focus group findings of which, participants expressed that having package deliveries are appealing and exciting like a gift.

To generate business and trials from customers we will offer branded voucher cards of a "half price first box".

- Inserted into magazines such as:
  - Look, a fashionable magazine targeting mass market females and young women. (IPC)
  - Red, a stylish women's lifestyle magazine with the median age reader of 43 (Hearst), to target the older half of our chosen market.
  - Women's Health, a health themed lifestyle magazine for women, with the median age reader at 38. More specifically reaching out to women already taking an interest in their health and fitness by purchasing such a magazine.

Seasonal promotional appeals:

Taking place at the fitness industry's most popular periods of the year, post-Christmas January-February and through summer May-August, seasonal appeals will be adaptations of our existing promotional and advertising methods. Utilising consumers wants and demands to get into shape around these periods. This would include promotional campaigns surrounding the ideas of, "Get that Summer Body" and "New Year, New You", offering consumers discounts to reflect the consumer's seasonal demands.

7. Segmenting, Targeting and Positioning

Following on from the marketing mix, we have identified our target segment as females between 18-60. Within this we will be targeting specifically the fitness conscious and those who have a new interest and perhaps limited knowledge of protein and supplements. Examples include:

- Younger women interested in fitness trends and looking healthy.
- Busy mums and career women for whom our offering will be easier to implement then other health programmes e.g. Slimming World.
- Mature females with a growing interest in maintaining health and youthfulness.

This will be achieved through positioning our brand as a unique service of packaged products accompanied by relevant and helpful information. To appeal to our target segment we will also use our USP to position as a gift and a special treat. We aim to be market leaders within the unique female sports nutrition market, aiming to lead on the grounds of offering a packaged service, positioned as a 'treat' and 'gift'.

8. Recommendations

In light of our research findings we will take Femme FITALE to market as we believe that the objectives set are realistic and achievable and the offering is unique with limited direct competition. Due to the peaking interest within the health, fitness, weight management and sports nutrition industries surrounding the New Year, Femme FITALE will be taken to market January 2015.


Premium packaging service
emme ff ITALE
Tailored for Women
Whether you're looking to lose weight, tone up, or just give yourself an energy boost, our aim is to make it as simple and enjoyable as possible, so you can make long term changes to your body and your health.
It's a gift
"Treat yourself"
Use products to:
- lose weight
- tone up
- gain muscle
UNIQUE
MEATHEAD APPROVED.
BEING A HEALTHY WOMAN isn't about getting on a scale or measuring your waistline. We need to start focusing on what matters—on how we feel, and how we feel about ourselves.
MICHELLE OBAMA
I'M WORKING ON A NEW ME
NOT BECAUSE THE OLD ME IS BAD BUT BECAUSE THE OLD ME can IMPROVE
Beginner
£15-£25
Intermediate
£25-£40
Pro
£40-£50
Sculptress
MYPROTEIN
SCITEC NUTRITION
BCAA X
AMINO ENERGY
PURE PROTEIN
9 Homemade Protein Bars
Get results!
Female Fitness
Curves
PROELITE

Appendices

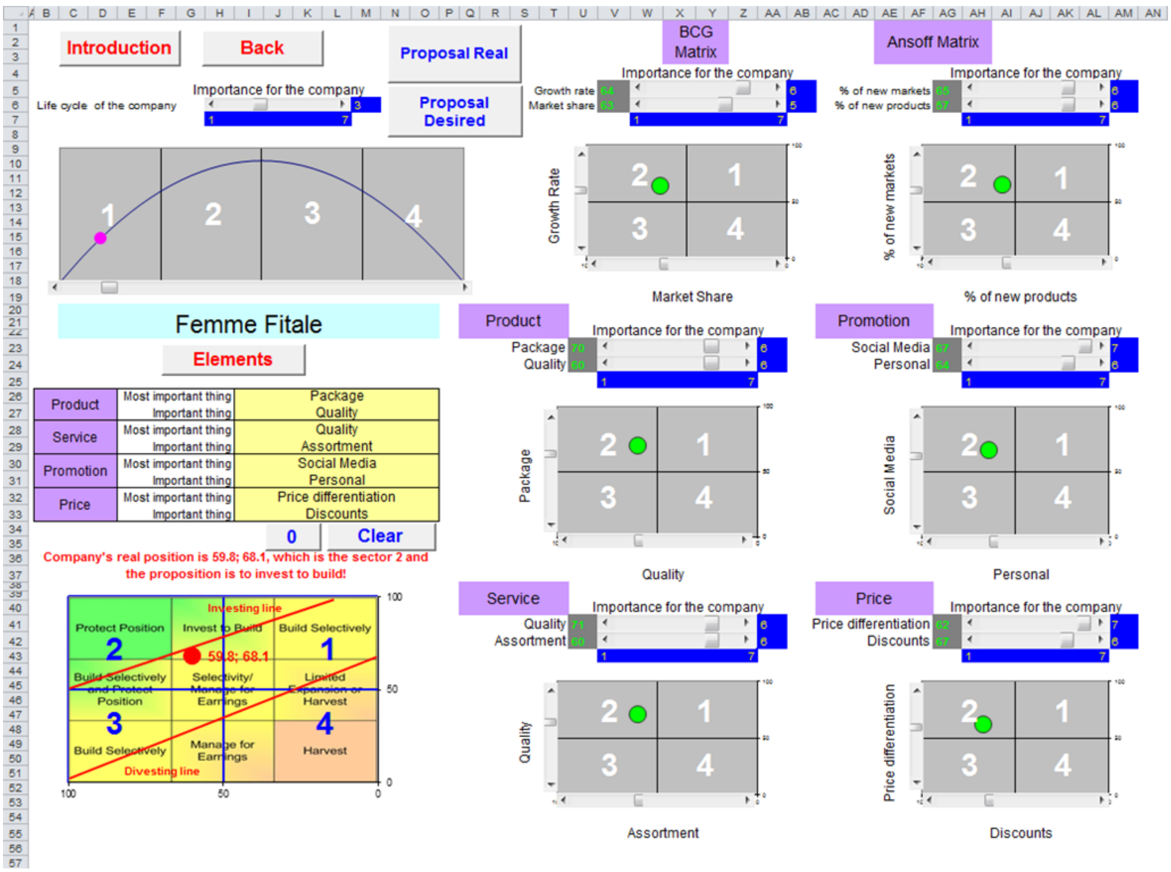
Appendix 1

Brand Ethos

We are a female focused fitness brand, aiming to provide a service that will help women reach their fitness goals through our friendly, fun and easy-going offering that can be easily integrated into everyday life.

Because we ourselves know how good it can feel and how important it is to be happy with yourself, we see our offering as a little treat: "To me… Love from me." as we will be providing a platform and products, encouraging and guiding women into healthy habits that will help them in the long run to reach their targets and feel good about themselves!

Appendix 2



Appendix 3

www.clfdistribution.com – List of sports nutrition including brands Femme FITALE will stock.

Sports Nutrition

Complete Wholesale

Over 100 Sports Nutrition brands

If you're looking for Sports Nutrition supplies at trade price, then CLF is the wholesaler for you.

The following list is not exhaustive. New products and brands are constantly added to our portfolio. I'd like to see the Full Brand List...

I'm interested in a CLF Trade Account, how do I sign up?

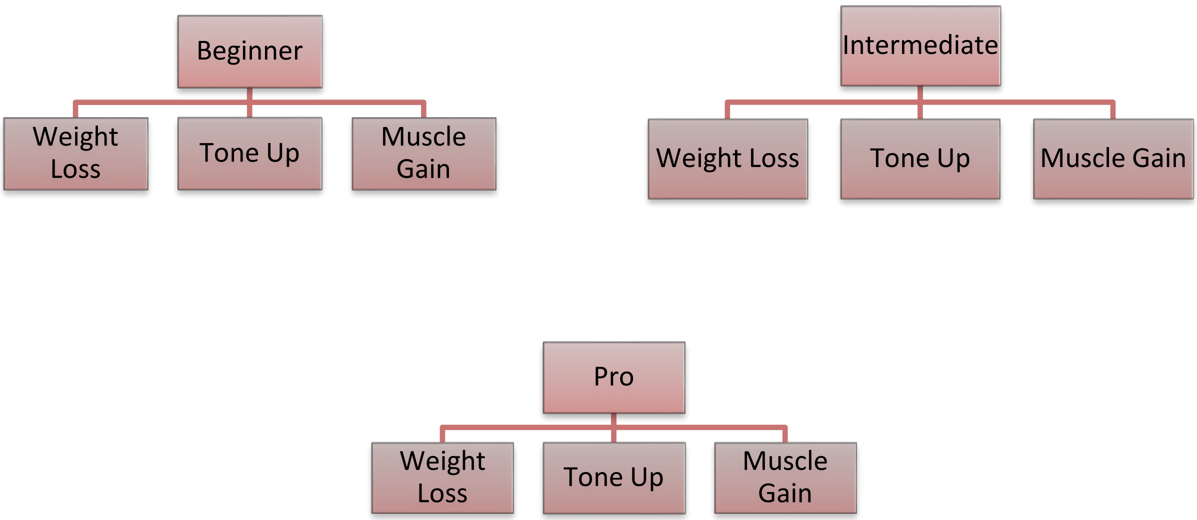
Animal
AppliedNutrition
Bio-Synergy
Biotest
BlackSunEnergy
Boditronics
Body Shapers (Weider)
Body Supreme
Body-For-Life
Booost Oxygen
BPI
BSN
Bundu
Cell ucor
ClifBar
CNP
Coan
Cobra Labs
Controlled Labs
Cytogenix
Cytosport
Detour
Dextro
Dorian Yates
Driven Sports
Dunlop
Dymatize Nutrition
Easy Body
Elete
Fit2Go
For Goodness Shakes
Garnell Nutrition
Gaspari
Gatorade
Gluco Juice
Gluco Tabs
Good
Grenade
Halftime Boost
Hemp Natural
Hero
High5
Higher Nature Performax Sports
Hyperstrength
InnerArmour
InnerCore Supplements
Isatori
Iso2Nutrition
Isostar
ISS
JSTJodie
Kinetica
Kinetica Endurance
Labrada
Lucozade
Lucozade Elite
Matt Roberts
Maxifuel
Maximuscle
Maxitone
Medi-Evil
Met-rx
MHP
Mmusa
MRI
MuleBar
MuscleMeds
MusclePharm
Muscletech
MyProtein
MyVitamins
Natural Sports Nutrition
Nectar
New Whey Liquid
Nutrex
Nutrisport
Nuun
Optimum Nutrition
Optimuscle
PharmaFreak
PhD Nutrition
PHD Woman
PowerBar
PowerSport
Prolab
Protein Thru Innovation
Pulsin
Pure Protein
Pvl
QNT
Quick Energy
Real Nutrition Co
Sanatogen
Science in Sport
Six Star ProNutrition
SmartTec NutritionLtd
Smartshake
Sports Nutrition Europe
Sunwarrior
Supreme Protein
Syntrax
Trioplex
Twinlab
Ultralife
Universal
USN
USPLabs
Victory Endurance (Weider)
Vyomax Nutrition
Warrior
Weider Nutrition
WildWest
XCAP
York

Appendix 4

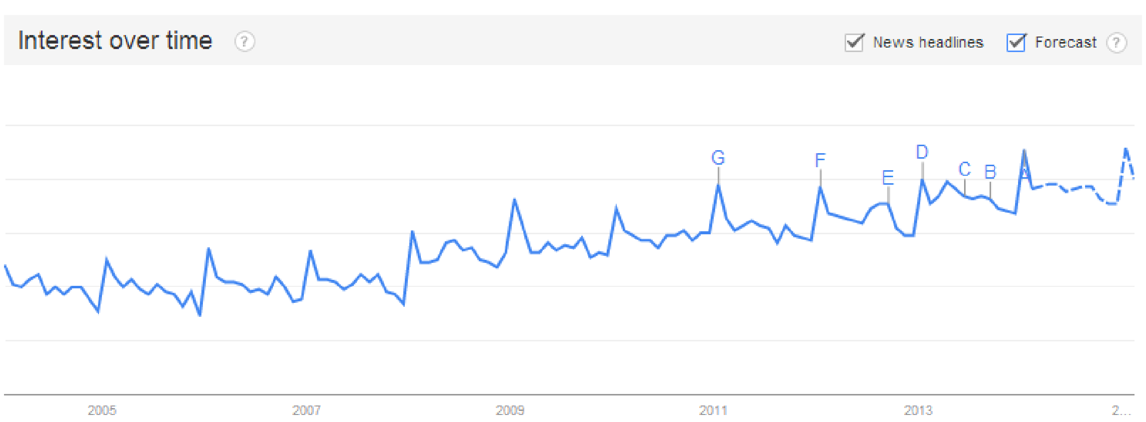
1 - Lose the Weight	2 - Tone It Up	3 - Gain the Muscle
Diet whey isolate protein powders Raspberry ketones tablets CLA – (Conjugated Linoleic Acid) Green tea ultra tablets	Whey impact protein powders BCAA's tablets (Branch Chain Amino Acids) Support and Recovery protein shakes Omega 3 tablets	Creatine Whey protein and oat fusion powders Protein pancake mixes

Appendix 5

Price:



Appendix 6



Google Analytics trend and forecast for search terms “getting fit”, “weight loss”, “help toning up”.

GRATUIT

Bowman, S., Mesghali, N. & Lord, M.

Abstract
This is a strategic marketing plan for the forecasted launch of Gratuit, a milk chocolate bar which makes use of the natural sweetener, Stevia, as an alternative to sugar. The report contains a SWOT analysis, as well as a PESTLE analysis of the wider environment. It also considers Porters five forces, and the marketing mix as part of the process of determining which generic marketing strategy will be adopted. Primary research was conducted in the form of a questionnaire, with the results being cross-tabulated in order to gain a more specific insight into consumer wants and needs in this area.

Key words: *Chocolate, Stevia, confectionary, sugar, natural, alternatives*

Executive Summary

Gratuit is a chocolate bar containing stevia, a sugar alternative containing no calories, no carbohydrates and is a guilt free alternative for the chocolate consumers who want to enjoy chocolate without the calories. Gratuits mission is to simply provide our consumers with a guilt free chocolate experience. Gratuits marketing objectives are to

Increase brand awareness of 60% within 12 months,

Achieve break-even by the end of financial year 1,

Gain a market share of 0.25% within 12 months

Achieve a profit margin of 20% by the end of financial year 2.

We will be using a generic strategy of differentiation as well as building selectively on strength, as Gratuit is currently the only milk chocolate bar, which is produced with the use of Stevia as a natural alternative to sugar. We will be targeting women within the age range of 18-35 as we discovered through our primary research this is the age range most suited to the product.

Situation Analysis

Market Summary

Market Demographics

The market demographic for Gratuit is mostly female, within the age range of 16-24 moving slightly into 25-34 as there is little to differentiate between the two groups (2%); this is based on information from Mintel, stating that 66% of females prefer milk chocolate over dark and white chocolate. This ties in perfectly with Gratuit's product which is a milk chocolate that uses a sugar substitute Stevia as the sweetener.

Market Needs

Gratuit as a company, producing Milk Chocolate sweetened with Stevia, are not only meeting the needs of the market, by creating and supplying a new product that is not already in the UK market, however also satisfying the need for a treat that is not sweetened by sugar. Gratuit is therefore meeting the needs of the market by filling the gap that exists, as well as fulfilling other needs such as hunger and sugar intolerance.

Market Trends

Market trends for the dieting market shows that there is a strong interest in natural sweeteners. Mintel shows that half of consumers would like to see more products using natural sweeteners (eg stevia) to replace sugar, rising to 58% of those who have tried to lose weight in the last 12 months, indicating opportunities for diet brands. There are also concerns over healthiness of diet foods with 58% of adults are wary of the ingredients/sweeteners that go into diet food products, while those who trust diet brands to make nutritious foods are in the minority (33%).

Market Growth

Market Growth has potential in all sectors. Rising disposable incomes and changing tastes will continue to drive growth in the chocolate industry. Chocolate confectionery is a well-established market with over nine in ten adults eating and buying chocolate in 2012. The chocolate confectionery market has seen volume sales fall by 3.5% over 2007-11. Volume growth is constrained by existing high household penetration, price rises and a lack of health credentials.

SWOT Analysis

Strengths

There is no direct competitors producing and selling milk chocolate which uses Stevia as a sugar alternative.

The product is a healthier alternative to normal milk chocolate, which is a worldwide confectionary favourite.

The market which is being entered is highly popular and valuable.

The product boasts the use of natural products with no artificial sweeteners being used.

Weaknesses

The brand is currently unknown, and is entering a highly competitive market with established worldwide brands such as Cadbury and Mars.

The brand currently has no experience in the UK confectionary market.

Consumer awareness of Stevia and its benefits is only just over half, as it is a relatively new concept in the EU marketplace.

Opportunities

No sugar content and health benefits allow the product to appeal to consumers interested in a healthier lifestyle.

Competitor products generally have high sugar content meaning they are ‘off limits’ for those wishing to lead a healthy lifestyle

Chocolate is a highly lucrative market in the UK

UK Government are trying to promote healthy living through initiatives such as Change4Life, especially promoting healthier dietary choices.

Stevia has only been allowed for commercial use and sale in the EU since 2011.

Threats

Strong competition from established brands such as Galaxy and Dairy Milk in the wider market.

Sugar-free chocolates are already available for people with health conditions such as diabetes, but these are marketed to these specific consumers rather than the wider market.

Chocolate is generally viewed as a treat by consumers, so sugar content may worry them if it is only eaten as a treat on rare occasions.

PESTLE Analysis

Political

The UK Government are trying to promote healthy living through initiatives such as Change4Life

Stevia was approved for use in the EU in 2011

In 2006 research by the world health organisation found no adverse effects from Stevia

Import of Stevia was restricted in the USA in 1991 and labelled an “unsafe food additive” in 1990, but was approved for sale in 2008.

Government is calling for a sugar alternative to help in the battle against diabetes and weight gain.

Economic

1kg of sugar costs just 99p, 270g of Stevia is £4.99 so much more expensive.

The long term future of stevia is mainly dependent upon price.

The UK and EU are coming out of recession, meaning consumers disposable income is likely to increase.

Holland & Barrett says Stevia products experienced a 50% rise in sales within the first four weeks of release, from 4th June 2013.

Social

More than 60% of UK adults are obese or overweight, costing the NHS an estimated £5 billion a year. Stevia has the potential to help with weight management, dental health and diabetes.

Steviol glycosides in stevia remain untouched unlike artificial sweeteners such as aspartame used in soft drinks such as coke, which have been in long-term controversy.

The word “artificial” makes people buying products very wary of the products; people are very paranoid about food in this industry so labelling something “free from” is beneficial.

Technological

The extraction of Steviol Glycoside (the sweetener) from the Stevia plant is a natural process.

Legal

Stevia was originally a banned substance.

It was approved in the EU in 2011 by the European Food Safety Agency.

Advertising of confectionary products is highly regulated.

Environmental

Stevia is a renewable crop with minimal environmental impact.

Extraction of the sweetener is a natural process.

The Stevia sweetener is 100% natural.

Porter’s Five Forces

Bargaining Power of Suppliers

This force is negative for Gratuit, as there is only a select amount of stevia suppliers in the world, meaning they have greater bargaining power; as Gratuit only have very limited supplier options therefore if they refuse to pay the price that is quoted by the supplying company Gratuit do not have many other options.

Bargaining Power of Customers

The bargaining power of customers is also a negative force for Gratuit. This is due to the fact that customers, especially larger firms such as Tesco and ASDA, may decide to integrate backwards and start to produce an own-brand version of Gratuit. They also possess high levels of bargaining power due to their large nationwide presence, therefore it would be damaging for the Gratuit brand to not be represented within their stores alongside competitor brands.

Threat of New Entrants

This force is positive for Gratuit as a result of the following reasons as the likelihood of new entrants being successful is relatively low, due to the large sums of investment needed to compete against industry giants such as Cadbury, Nestle & Mars. New entrants will also not enjoy the huge economies of scale that are available to established competitors, making it hard to compete. Finally, the threat of direct competitors to Gratuit is slightly higher as the Stevia chocolate bar market is currently untapped, so more brands may create alternative stevia chocolate products to compete against Gratuit.

Threat of Substitute Products

The threat of substitute products is very low, due to Gratuit being the first chocolate bar to use Stevia as a sugar replacement, meaning this force is also positive for the brand. Sugar-free chocolates which are produced for diabetes sufferers can be seen as competition to Gratuit, but these are aimed at different a different target market to Gratuit. Normal milk chocolate bars could also be seen as potential substitutes, but these bars suffer from a lower level of performance with regard to their health implications when compared to Gratuit.

Competitive Rivalry within the Industry

There is a large number of competitors in the general chocolate market, but very few in the segment of sugar-free, naturally sweetened chocolate bars, suggesting this force is also positive for Gratuit. Despite this, switching costs are very low in the market, resulting in relatively low levels of customer loyalty due to the availability, and relatively low price of the products.

Generic Strategy

After analysing Porter's five forces, the generic strategy determined is differentiation, this is because the majority of forces (threat of new entrants, threat of substitutes and competitive rivalry) were positive for the brand. Differentiation strategy suits Gratuit, as the product is entering a competitive market, but is appealing to consumers who have very specific needs for a healthy alternative to standard milk chocolate bars through the use of Stevia as a completely natural alternative to sugar.

Marketing Strategy

Mission

"Gratuit's mission is simple. To provide consumers with guilt –free chocolate experience"

Marketing Objectives

Achieve brand awareness of 60% within 12 months

Achieve break-even by the end of financial year 1

Gain a market share of 0.25% within 12 months

Achieve a profit margin of 20% by the end of financial year 2

Target Marketing

For Gratuit's target market we used a questionnaire to perform primary research to create a better understanding of our target market. We asked 100 people questions relating to chocolate and relevant questions regarding stevia and general health. We then cross tabulated the results to find out answers relevant for our research. Figure 1 shows if respondents were aware of Stevia, the natural sugar alternative, the highest response was from the 18-25 year olds with a total of 39, 22 from women and 17 from men.

Secondly we asked if people preferred milk or dark chocolate as a preference so we could decide what to make our product for the consumers. Figure 2 shows that milk chocolate in all age categories was most preferred over dark chocolate. We also asked why this was with most answers to be that dark chocolate was bitter and did not taste as nice as milk chocolate. Females in the 18 – 25 category had 26 responses and in the 26- 35 section 29 females preferred the milk chocolate over the 2 who preferred dark chocolate.

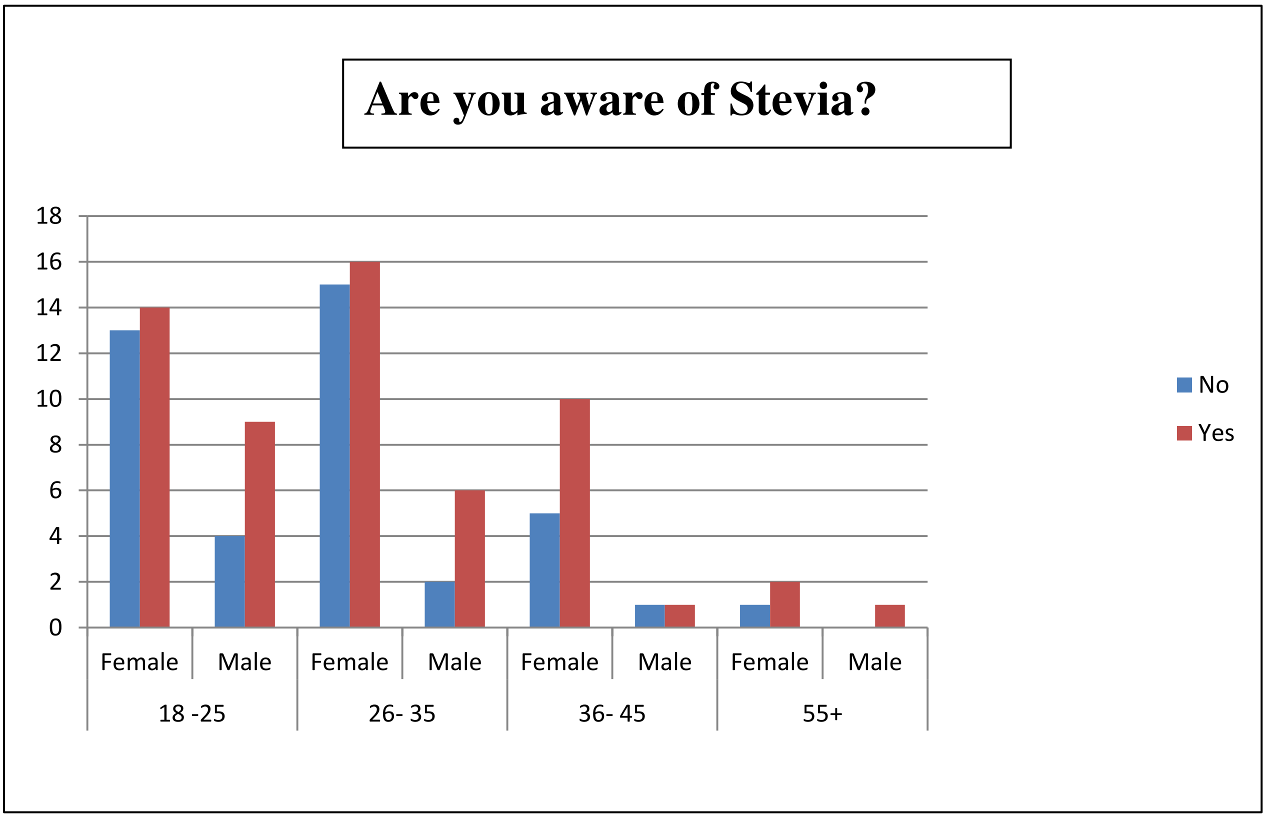
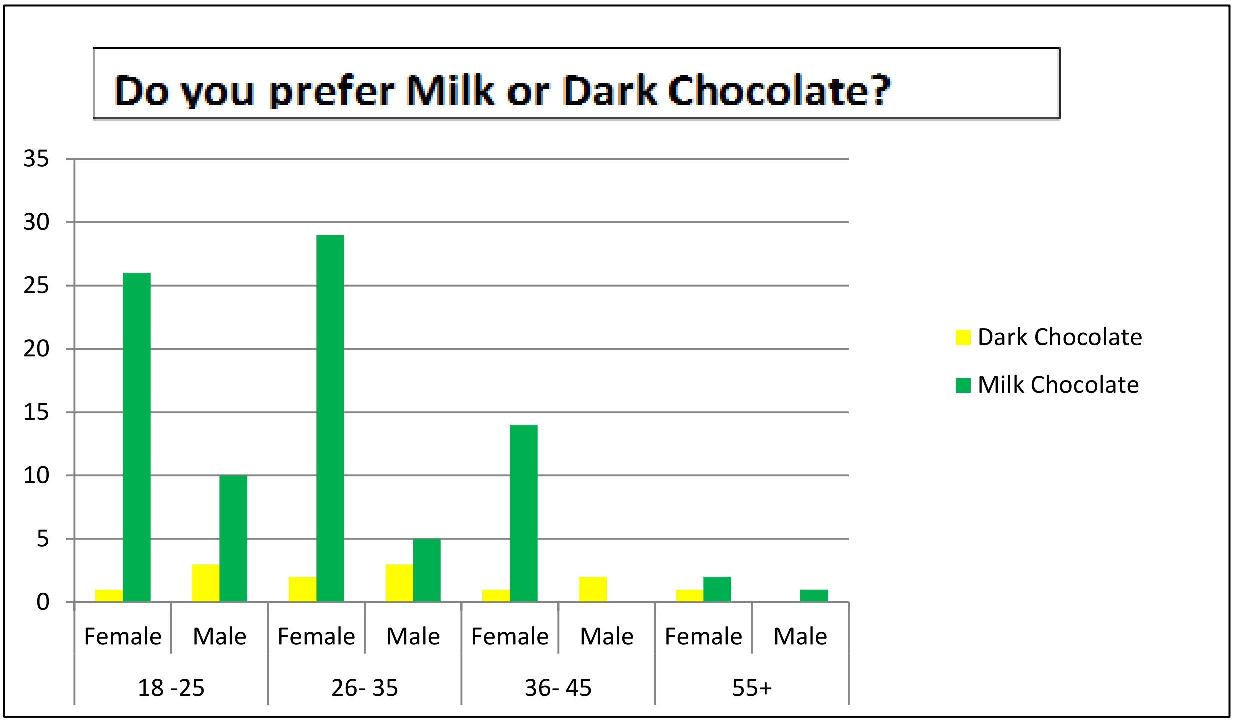


Figure 1



Figure

A key and encouraging find in our primary research was when we asked if people would consume a chocolate bar that used natural sweeteners as an alternative to sugar while also proven health benefits? Every male and female answered yes to this question as can be seen in figure 3

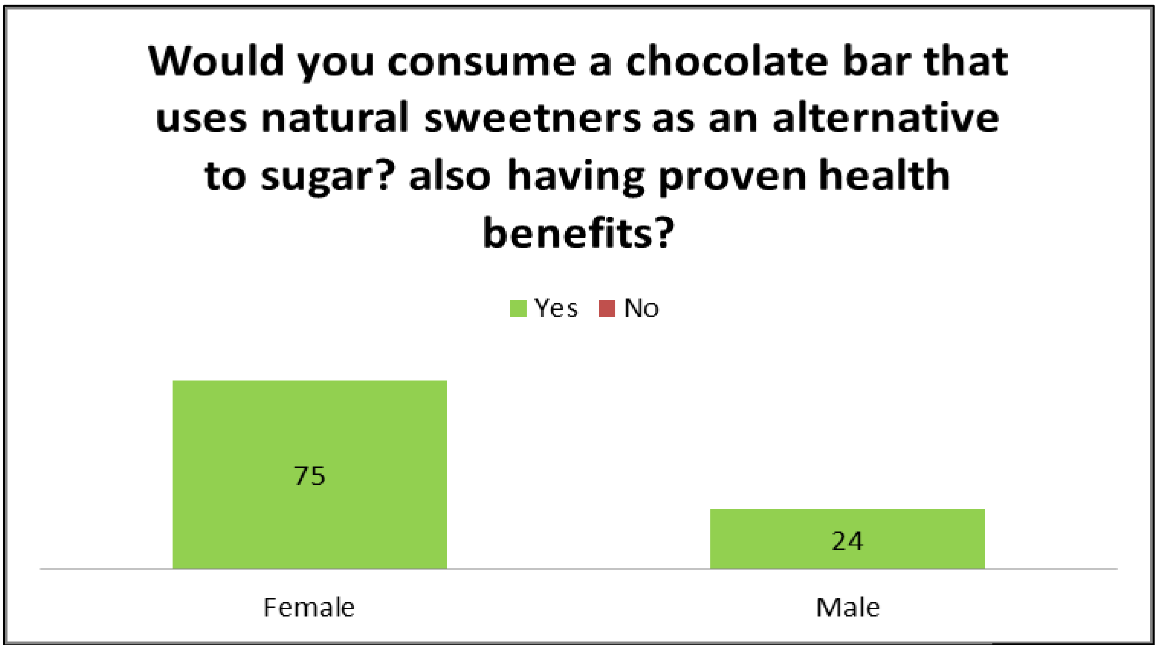


Figure 3

This research proves that using stevia in our product would interest chocolate consumers mainly because of the proven health benefits stevia provides.

Our last key find as you can see in figure 4 asked if people would consume chocolate as part of a diet. Chocolate is seen as a fatty treat as we have already found in our secondary research, but the results again were encouraging. Of the 18-25 age range of women, 19 women would have chocolate as part of their diet and 26-35 year old women, 19 would also have it in their diet, 40 women aged from 18- 35 eat chocolate as part of their diet.

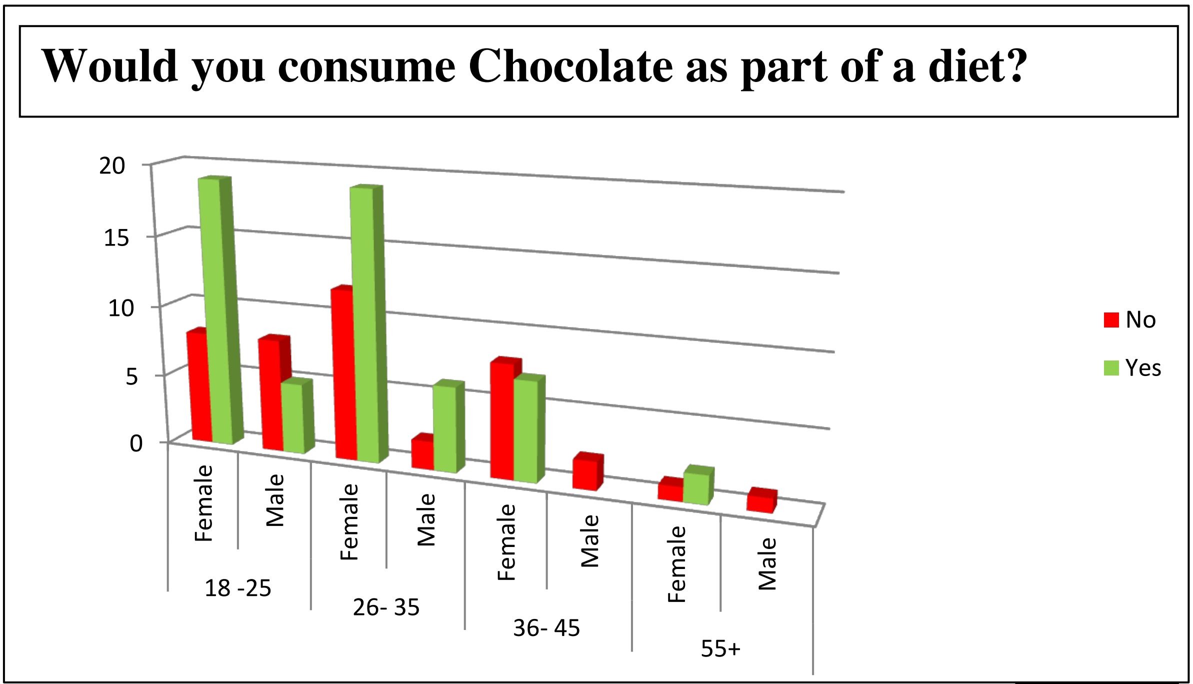


Figure 4

From this research our target market will be women in the age ranges from 26-35 as we found that our most positive results were from this age and gender section, Women from the 18-25 age range will also be targeted as their results pretty much matched the latter.

Positioning

We will position the product as a health/lifestyle confectionery product, aimed mostly towards women; this is in conjuncture with data from Mintel showing that half of consumers would like to see more products using Stevia as an alternative to sugar.

95% of women think about their weight and are significantly more likely to attempt to lose weight compared to men; using a sugar alternative such as Stevia can aid in this as it has less negative effects than sugar and has more health benefits such as: 0 calories and 2x the fibre content. Therefore positioning the product in this market would be beneficial to the brand.

Marketing Mix

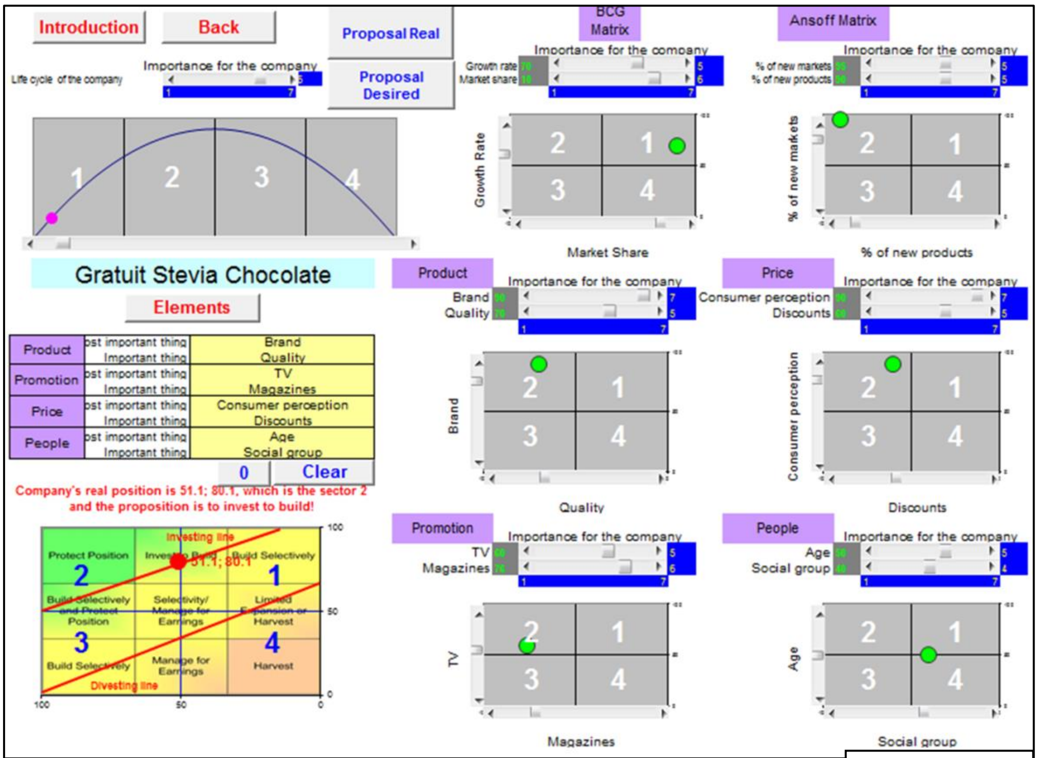
The Gratuit brand is still in stage 1 of the life cycle, which relates directly to the product introduction stage, through the use of the stratics model, product, price, promotion and people were selected as the four most important components of the marketing mix for Gratuit. When these were coupled with the information input to create the BCG Matrix and Ansoff Matrix, the Gratuit brand was placed in sector 2 of the GEC Matrix, resulting in the proposition of invest to build, which can be seen in figure 5. The invest to build sector is of high attractiveness to Gratuit, and the strategies to be considered when positioned in this sector are:

Build selectively on strength

Define the implications of challenging for market leadership

Fill weaknesses to avoid vulnerability

From this, we have chosen to build selectively on strength, as Gratuit is currently the only milk chocolate bar which is produced with the use of Stevia as a natural alternative to sugar, which proves that the brand has been placed in the correct sector in the GEC matrix found in figure 5. It would also not be suitable to use the strategy of defining the implications of challenging for market leadership, as Gratuit is currently the only product in the niche market of sugar-free, stevia sweetened chocolate bars, with leadership of the overall chocolate market currently being an unrealistic target.



GEC Model

Appendices

Count of Are you aware of Stevia	Column Labels		
Row Labels	No	Yes	Grand Total
⊟18 -25	17	23	40
Female	13	14	27
Male	4	9	13
⊟26- 35	17	22	39
Female	15	16	31
Male	2	6	8
⊟36- 45	6	11	17
Female	5	10	15
Male	1	1	2
⊟55+	1	3	4
Female	1	2	3
Male		1	1
Grand Total	**41**	**59**	**100**

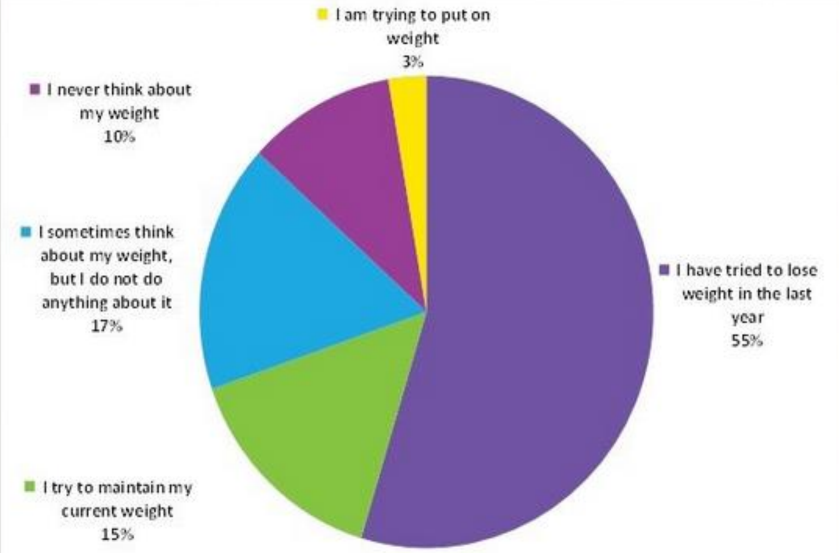
Are you Male Or Female	Column Labels		
Row Labels	Dark Chocolate	Milk Chocolate	Grand Total
⊟18 -25	4	36	40
Female	1	26	27
Male	3	10	13
⊟26- 35	5	34	39
Female	2	29	31
Male	3	5	8
⊟36- 45	3	14	17
Female	1	14	15
Male	2		2
⊟55+	1	3	4
Female	1	2	3
Male		1	1
Grand Total	**13**	**87**	**100**

Count of Would you eat chocolate as part of a diet?	Column Labels		
Row Labels	No	Yes	Grand Total
⊟18 -25	16	24	40
Female	8	19	27
Male	8	5	13
⊟26- 35	14	25	39
Female	12	19	31
Male	2	6	8
⊟36- 45	10	7	17
Female	8	7	15
Male	2		2
⊟55+	2	2	4
Female	1	2	3
Male	1		1
Grand Total	**42**	**58**	**100**

Figure 29: Attitudes towards weight loss, September 2013

Base: 2,000 internet users aged 16+

"Which of these statements best describes how you think about your weight?"



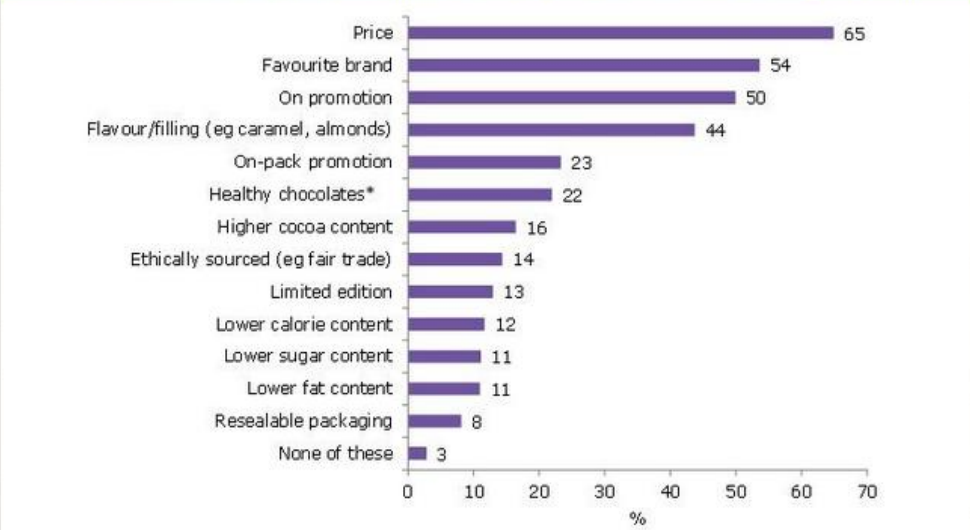
Source: GMI/Mintel

Over half (55%) of UK adults have attempted to slim down in the last 12 months, corresponding to some 29 million Britons. This reflects the large swathes of the population who are overweight or obese - 65% of men and 58% of women according to NHS estimates (see Market Drivers) – with the issue being very much in the public eye.

The chart above shows how often UK consumers think about their weight and what their attitudes are to.

Figure 40: Choice factors when buying chocolate confectionery, February 2013

Base: 1,411 internet users aged 16+ who have bought chocolate confectionery in the past six months



* net average of lower calorie content, lower sugar content and lower fat content

Source: GMI/Mintel

- Reflecting commodity-driven price hikes and squeezed incomes, price (65%) ranks as the most important feature consumers look for when choosing a chocolate product with promotions deemed important by half of consumers. This supports Nestlé's and Mondelēz' decision to roll out price-marked packs of their brands over the past two years.

The chart above shows the factors when UK consumers purchase and consume chocolate bars and chocolate confectionery

THE LAUNCH OF LOVEBOMB

Vernon, D., Harrison-Bentzen, D., Wakefield, L. & O'Brien, V.

Abstract: *This report suggests a new product development within the alcohol market which uses innovative technology and creative design to appeal to the 18 – 25 student market of which are predominately female. This report has been compiled through the use of secondary and primary data and the application of relevant marketing strategies.*

Key Words: *Vodka, Love Heart, Student, Alcohol, Marketing Strategy, New Product Development, Innovative, Tablet*

1. Executive Summary

This report begins by providing an analysis of the external marketing audit and discussing the current alcohol market. Primary research is then conversed with a brief analysis of results presented. An analysis of LoveBomb in relation to its current environment is then discussed followed by the application of TOWS. Swizzels Vodka's mission statement, marketing strategies and marketing objectives are then highlighted followed by a description of the intended target markets and positioning. Key models and theories including a five force model and generic strategies are then applied with a discussion of the intended marketing mix decisions.

2. Situation Analysis

2.1 External Market Audit

- In relation to politics, there are currently numerous alcohol policies within the UK regarding the consumption age of alcohol, places, drinking and driving. Government strategies are currently dealing with binge drinking and the price of alcoholic drinks are also continuing to rise as a result of inflation.
- Although it has been highlighted that the sales of alcohol have declined, this is the result of the price of alcohol drinks rising, it still remains a widely consumed social drink with drinking in the home being a key trend. Positively for LoveBomb, the largest market is students aged 18 – 24.
- Current marketing techniques enhance the advertising strategies of vodka with key examples including social media and interactivity.

- The licensing act 2003 should be taken into consideration, however the controversial slackening of licensing hours is positive for LoveBomb. It is important to note that UK consumers have increasingly paid attention to the environment.

2.2 Market Summary

To gain an understanding of the current market and the positioning of Love Bomb, a market analysis is firstly undertaken to gain an understanding of the target markets wants and needs. This is carried out through the use of secondary and primary research including a SWOT and TOWS analysis.

2.2.1 Market Demographics

- The UK alcohol market is an established market worth in excess of 4.3 billion pounds, whilst alcohol sales have suffered a slight decline, vodka remains the most popular spirit amongst British drinkers and is the largest segment in the white spirits/RTDs market.
- Sales of vodka continued to grow in 2013, up by 3%, reaching £2.45 billion (Mintel, 2013).
- 25 - 34 year olds are notably more likely to drink white spirits and RTD's and the expected 8% increase in their number by 2018 is good news for this market (Mintel, 2013).
- Additionally it is found that “bombers” are now far more than a student phenomenon and that bomb drinking is now firmly entrenched mainstream market behaviour.
- It is found that 82 per cent of respondents, including 91 per cent of people aged 18 to 24, had ordered a bomb on at least one night out – with a fifth of respondents, and almost a third of 18- to 24-year-olds, ordering the drink in the last week (Team, B, 2014).
- Therefore, this plan aims to market a low calorie vodka based shot drink in the form of a disposable tablet, this drink will be marketed at the 18 - 25 market who have a clear passion for bomber type drinks, this identifies key areas of potential growth in both the vodka market and bomber market.

2.2.2 Market Needs

- Target consumers are seeking low calorie alternatives to standard RTD's, female orientated to meet their tastes and needs.
- The consumer requires drinks that can be consumed both in the home and in bars and clubs.
- LoveBomb incorporates all the needs and more with an innovative new product formula.

2.2.3 Market Trends

- Flavour innovation remains at the forefront of NPD activity, with many of the leading white spirit brands launching new flavours to tap into consumer demand for more accessible spirits, and well-placed to appeal to the larger numbers interested in variety (Mintel, 2013)
- The white spirits market is also one of the most innovative in terms of packaging, with brands such as Absolut introducing genuinely new designs and techniques (Mintel, 2013).

- Vodka, white rum, tequila and RTDs are well placed to appeal on up-tempo drinking occasions such as nights out, the more sophisticated image of gin and premium vodkas are well matched for lower tempo occasions (Mintel, 2013).

2.2.4 Market Growth

- Primary and secondary research has indicated a lack of brand loyalty and importance on affordability, in particular with the younger age market / student market. The current market is saturated with alcoholic beverages however no such beverage has been created in a tablet format.

2.3 Primary Research

In response to secondary research findings, an online questionnaire was targeted at the 18 – 24 year old market, predominantly students (please see appendix 1). It was therefore distributed through social media channels as this is the predominant medium for this age group.

140 responses were collected and analysed via the use of data analysis software, allowing for cross tabulation analysis (please see appendix 3).

The results gathered were in line with the secondary research findings;

- Vodka is the most popular alcoholic drink (20%)
- Students are likely to drink 2 – 6 times a week (51%)
- They predominantly drink in bars (19%) and nightclubs (18%) as well as the home (17%)
- Most likely to drink with friends (74%)
- Shots and bomber products are appealing with the Jagerbomb being the most preferred (74%)
- Willing to spend between £2.01 and £2.50 on an alcoholic drink outside of the home (31%)
- Potential market identified for a retro sweet flavour drink (78%)
- Although some respondents were unsure (27%) in regards to trying an alcoholic tablet based drink, this was seen as a positive as they did not rule out the option of trying this type of drink.

It is important to note that these results are not representative of the market as a whole due to a small number of responses across limited locations across the North West.

For more information, please see appendix 2 for a display of results.

2.4 Current Situation Analysis

STRENGTHS	WEAKNESSES
• Smell and taste of LoveBomb are unique with a flavour similar to Love Heart candy. • Can be mixed with soda water to provide a healthier alternative. • The drink contains neither artificial sugar/flavourings nor any chemical ingredients. • Brand heritage within UK.	• No experience in alcoholic drinks - new product • New format of product; tablet • Negative connotation (drug abuse) • Possibly isolating other market; females and older market
OPPORTUNITIES	**THREATS**
• Drinking-in-the-home is a key trend within this market. A recent report by Mintel (2013) highlights "Although alcohol consumption is falling, alcohol remains an ingrained part of the consumer landscape, with nearly nine out of ten adults (88%) drinking in the home in the last 12 months" (Mintel 2013). • The largest market within alcohol is segmented is students aged 18-24 who are segmented as "drinkers". Mintel (2010) highlights that this group have been influenced on many aspects of their drinking behaviour by their friends (Mintel 2010).	• The beer and wine markets have been particularly proactive in developing lower alcohol products (Mintel, 2012). • An estimated 12.6 million adults dislike the taste of vodka (Mintel, 2009). • Alcohol consumption is falling due to health and binge-drinking concerns (Mintel, 2009). • As of December 2008, the duty rate on spirits has risen by over a quarter at a time meaning consumers are reassessing the affordability of alcoholic drinks (Mintel 2013).

2.5 Keys to Success: TOWS Analysis

STRENGTHS: Make the most of your strengths • Ensure that the flavour of the drink is marketed as a USP. • Be sure to advertise the uniqueness of the format of the product, highlighting that no other product competes. • Highlight low calorie benefits due to the ingredients and ability to mix with soda water, still ensuring a sweet flavour. • Possibly focus advertising strategies around the British heritage (e.g. on packaging 'Made in Britain').	**WEAKNESSES: Circumvent your weaknesses** • Ensure in-depth market research is carried out and employ experience manufacturers. • Launch product before release, allowing for social media campaigns. • Consider developing limited edition flavours and expanding the line to reach further markets.
OPPORTUNITIES: Capitalize on your opportunities • Ensure the unique taste and quality is advertised in order to appeal to market. • Promote as premium quality at a low price - accessible to target market. • Advertise the product to be drunk both out-of-the-home and in-the-home, special occasions drink. • Highlight unique flavour and quality alcohol, ABV to target young consumers 18-24: key market.	**THREATS: Manage your threats** • Highlight the benefits and unique flavour in order to compete with soft drinks market. • Highlight the product can be mixed with lemonade or soda to create a low cal yet indulgent treat (appeal to female target segment). • Differentiate on flavour to target those who dislike the taste of vodka, market as RTD. • Ensure quality of product is advertised in order to persuade consumers that the product is value for money.

3. Marketing Strategy

LoveBomb will differentiate itself from other vodka based drinks within the market by meeting the needs of female health conscious consumers, who seek an alcoholic drink with low calories in an innovative format.

3.1 Mission Statement

At Swizzels Vodka we are committed to building exciting and innovative brands including LoveBomb. We follow shared values, principles and behaviours to provide high quality and great tasting goods in a responsible manner.

3.2 Marketing Objectives

Corporate Objective

For Love Bomb to become a key player in the UK market through exceeding consumers' expectations, assuring affordability of the market and building a positive brand image, this objective is to be continuous, however it will be effective from one year of market entry.

Sales Objectives

1. In order for Love Bomb to become a market leader, 9.6% of new markets must be obtained in the next 2 years.

2. To ensure Love Bomb increases sales annually by at least 1.25% by 2014 to ensure that it is in line with current United Kingdom Vodka Market which currently has sales of around 2 % annually.

3. To target 25.7% of UK consumers of white spirits and RTD with 12% becoming single brand users of Love Heart Vodka 3 years of market entry.

3.3 Target Markets

- Age group: 18-25

Consumer research by CGA confirmed that bombs are now far more than a student phenomenon and that bomb drinking is now firmly entrenched mainstream market behaviour.

CGA found that 82 per cent of respondents, including 91 per cent of people aged 18 to 24, had ordered a bomb on at least one night out

- Gender: Female

Female main target audience as their not currently a shot targeted at females. We feel the unique love heart shaped disposable tablet based on the popular sweet would appeal more to the female market.

- Lifestyle: Student

Students, who drink between 2 to 6 times a week. Mainly with friends, in the home, in pubs, clubs and bars.

Keen to explore new drinks, flavours and those based on retro sweets, the majority would consider trying a dissolvable alcoholic tablet based drink.

- Income: Low Income

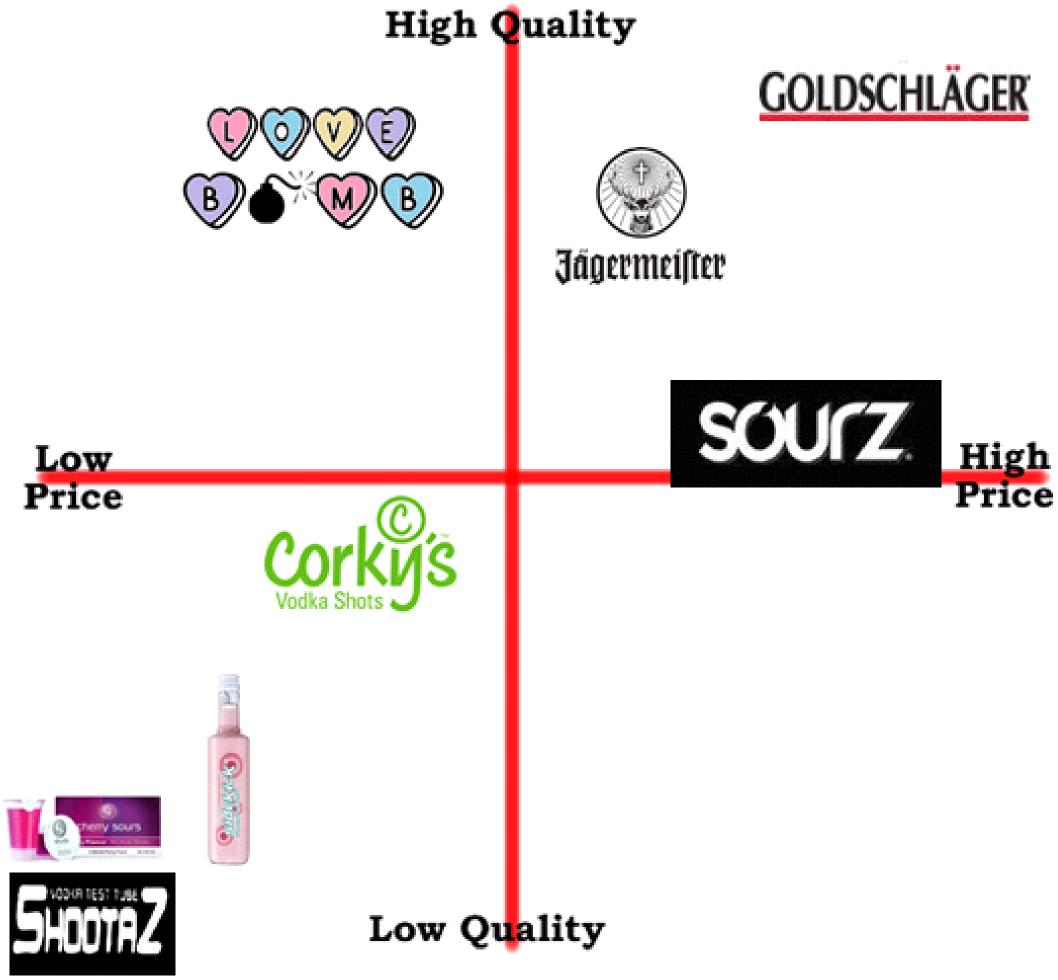
Primary research indicates that the respondents were mainly from a low income background, however they are still prepared to spend up to £2.50 on an individual drink when out of the home.

Those with higher incomes indicated that this is also the preferred price to pay when out of the home.

- Consumer Profile

Isabelle is 21, she enjoys socialising with her friends both at university and home. She starts the night pre drinking with friends at home (or friends' houses) where they drink a variety of drinks including shots, before hitting the town! Once out Isabelle will buy an average of four drinks and four shots consumed with friends at the bar, shots consumed depend on what is visible at the time of ordering.

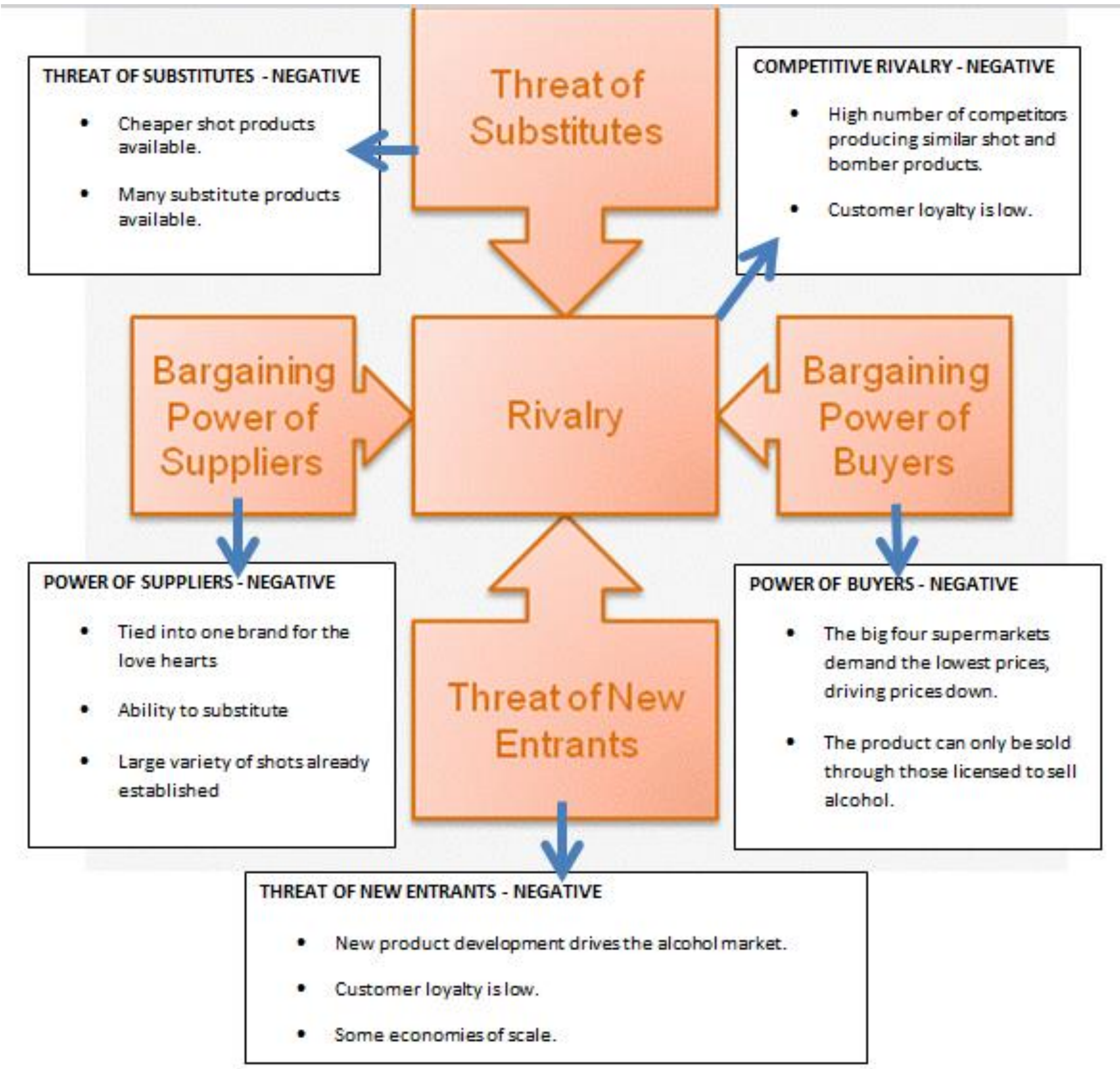
3.4 Positioning



3.5 Market Strategies

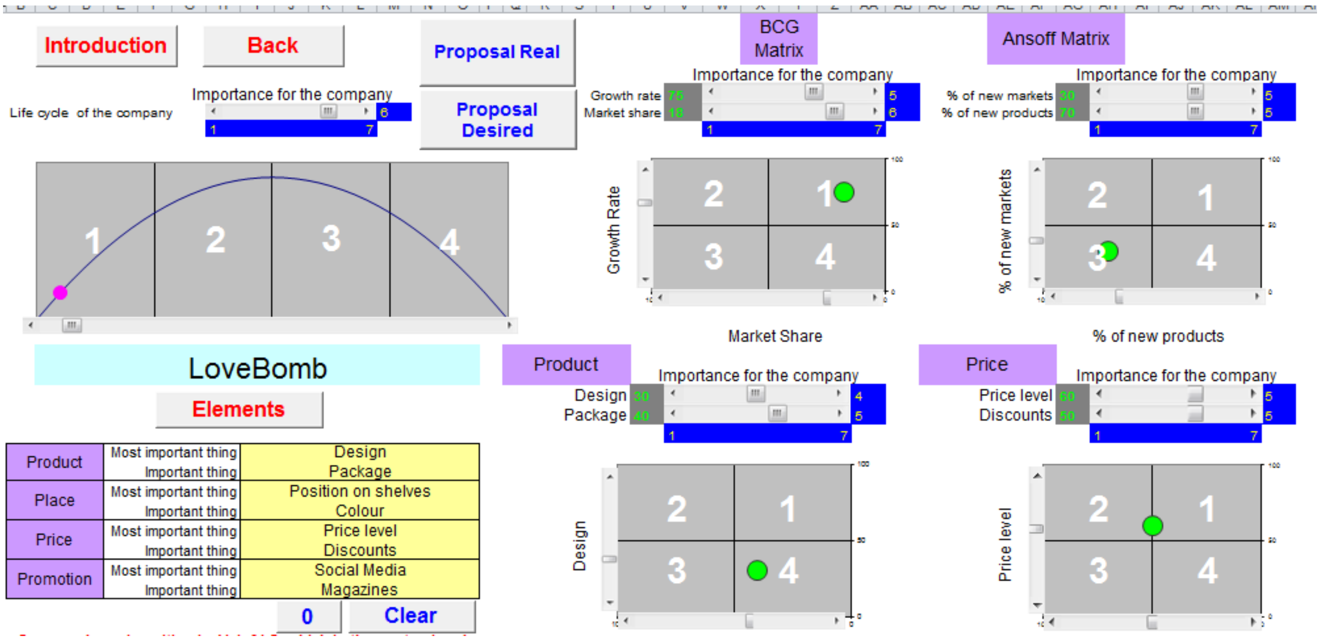
A number of strategic models have been applied to LoveBomb to determine the brand's marketing strategies.

3.5.1 Five Force Strategic Model

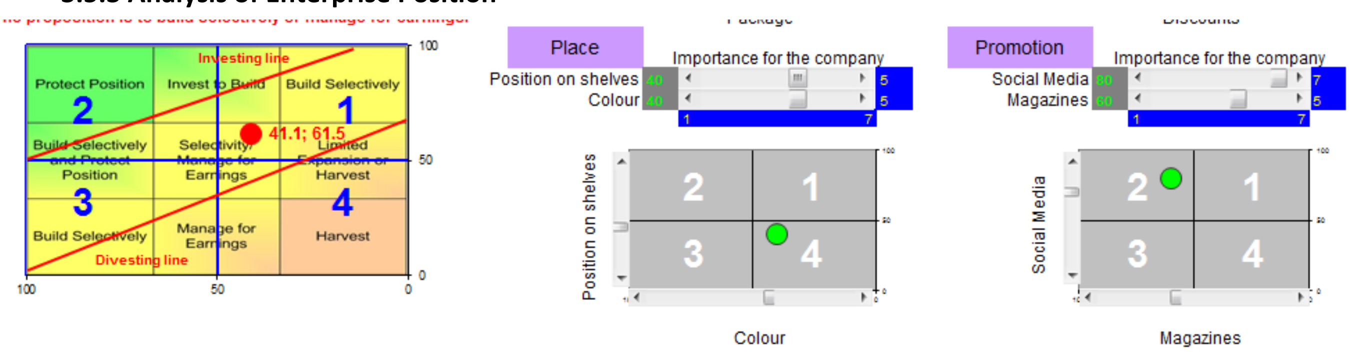


From analysing this strategic model, a cost leadership strategy has been selected due to the intense rivalry and many opportunities for substitution in the market place. This strategy enables LoveBomb to penetrate the market by offering its product at a low and competitive cost.

3.5.2 Further Strategic Models



3.5.3 Analysis of Enterprise Position



- LoveBomb is currently positioned within "Proceed with care", therefore the suggested strategy is to seek to maintain share and segment the market effectively.
- Within 1 year of market entry, it is hoped that LoveBomb will move to "Growth" by building selectively on the brands strengths and adopt market leadership.
- It is important to note that in order to prevent LoveBomb from moving to "Phased withdrawel" contingency plans should be in place.

3.6 Marketing Mix Decisions

For justification of the marketing mix decisions, please see appendix 4.

3.6.1 Product (see appendix 5)

- An alcoholic (vodka) Love Heart flavoured tablet replicating the design of the retro sweet.
- Dissolvable when mixed with a variety of drinks.
- Lower calorie option available when mixed with soda water.

- Available in a variety of flavours.
- When sold on-trade, it will be served in single serving shot glass inside a tumbler filled with soda water to replicate a “bomber”.
- When sold off-trade, the product will be sold with a plastic shot glass and four tablets to be mixed with a drink of the consumers choice.

3.6.2 Price

- Cost leadership pricing strategy to penetrate the market.
- Low cost but perceived as high quality in relation to competitors for the target market.

3.6.3 Place

- On trade: bars, nightclubs and student unions.
- Off trade: the big four supermarkets (Asda, Tesco, Sainsbury’s and Morrisons)
- Off trade: off licenses in key student locations across the UK.

3.6.4 Promotion (see appendix 6 and 7)

- Utilise social media as this is a key medium for the target group.
- Low cost online campaigns using viral marketing to increase awareness.
- Predominant channels: Facebook, Instagram and Twitter.
- Introductory offers based on discounted price, free shot glasses and promo material.

3.6.5 Packaging (see appendix 8)

- Low cost yet attractive packaging to appeal to the target consumer and create a strong presence on the shelf.
- Female orientated to create a USP.
- Limited edition packaging available for special occasions throughout the year.

For further creative and information regarding LoveBomb please visit the following Prezi link; http://prezi.com/8rfkiwpp9xth/love-bomb/.

Appendices

Appendix 1 – Online Questionnaire

Alcohol Consumption

We are third year students from The University of Central Lancashire. We have created a new product called the 'Love Bomb' and this questionnaire is designed to understand your thoughts and feelings towards this product.

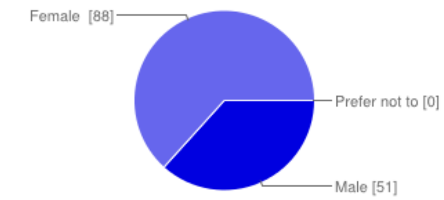
Question One : Gender
- Male
- Female
- Prefer not to disclose

Question Two : Age
Please select your appropriate age
- 18-21
- 22-25
- 26+

Question Three: Employment status
Please state your employment status
- Employed full time
- Employed part time
- Unemployed
- Student (with part time work)
- Student (without work)

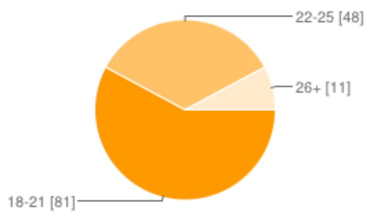
Appendix 2 – Primary research results

Question One : Gender



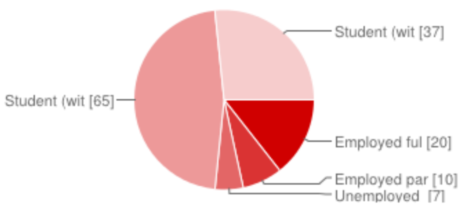
Male	51	37%
Female	88	63%
Prefer not to disclose	0	0%

Question Two : Age



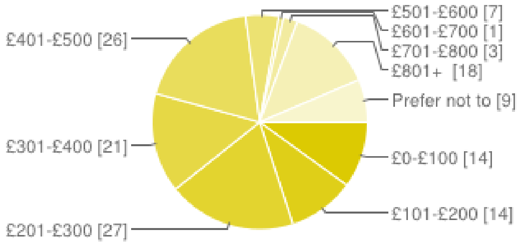
18-21	81	58%
22-25	48	34%
26+	11	8%

Question Three: Employment status



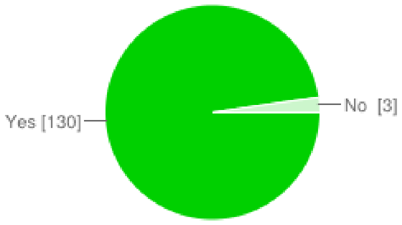
Employed full time	20	14%
Employed part time	10	7%
Unemployed	7	5%
Student (with part time work)	65	47%
Student (without work)	37	27%

Question Four: Average monthly income



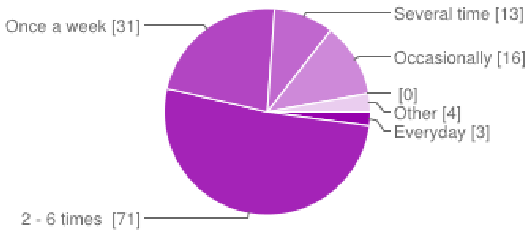
£0-£100	14	10%
£101-£200	14	10%
£201-£300	27	19%
£301-£400	21	15%
£401-£500	26	19%
£501-£600	7	5%
£601-£700	1	1%
£701-£800	3	2%
£801+	18	13%
Prefer not to say	9	6%

Question five. Do you drink alcohol?



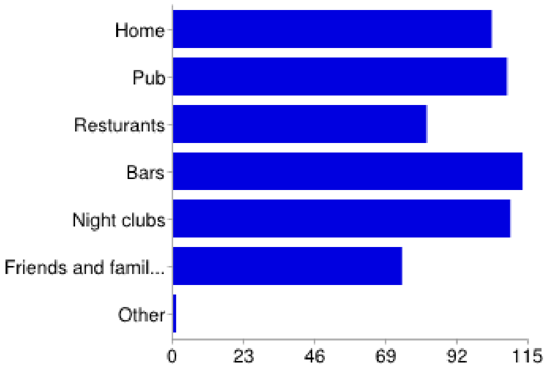
Yes	130	98%
No	3	2%

Question Six: Approximately how frequently do you drink alcohol?



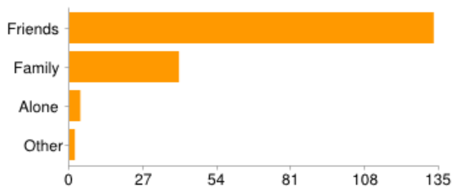
Everyday	3	2%
2 - 6 times a week	71	51%
Once a week	31	22%
Several times a month	13	9%
Occasionally	16	12%
	0	0%
Other	4	3%

Question Seven : Where do you drink alcohol?



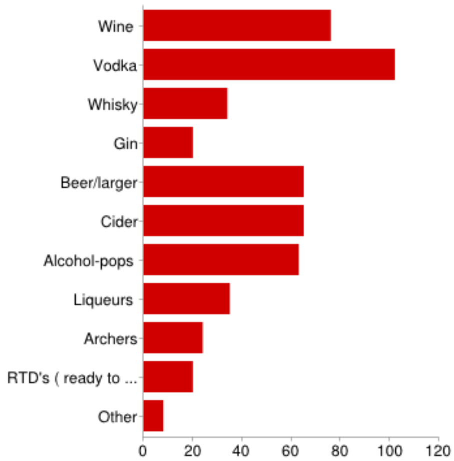
Home	103	17%
Pub	108	18%
Resturants	82	14%
Bars	113	19%
Night clubs	109	18%
Friends and family events	74	13%
Other	1	0%

Question Eight: Who are you more likely to drink with?



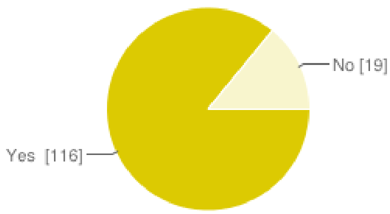
Friends	133	74%
Family	40	22%
Alone	4	2%
Other	2	1%

Question Nine: Which of the following drinks do you drink?



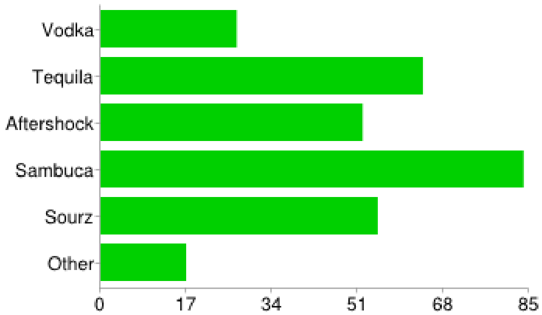
Wine	76	15%
Vodka	102	20%
Whisky	34	7%
Gin	20	4%
Beer/larger	65	13%
Cider	65	13%
Alcohol-pops	63	12%
Liqueurs	35	7%
Archers	24	5%
RTD's (ready to drink) (e.g. Jack Daniel's and coke pre-mixed cans).	20	4%
Other	8	2%

Question Ten : Do you drink shots?



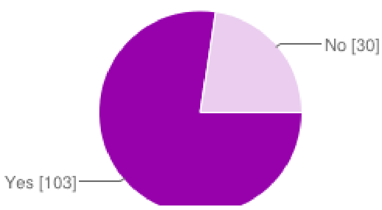
Yes	116	86%
No	19	14%

Question Eleven: Which shots do you drink?



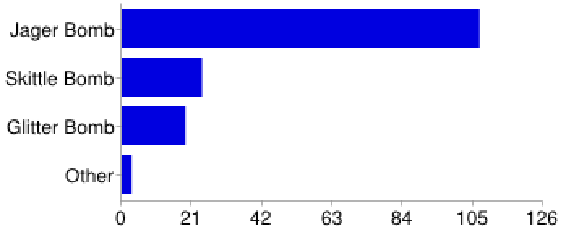
Vodka	27	9%
Tequila	64	21%
Aftershock	52	17%
Sambuca	84	28%
Sourz	55	18%
Other	17	6%

Question Twelve: Do you drink 'bombers'?



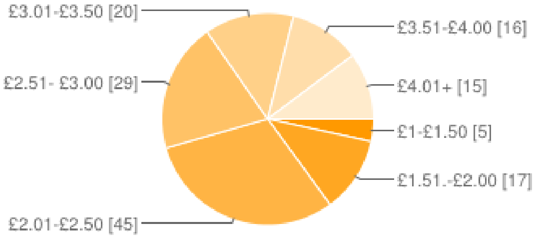
Yes	103	77%
No	30	23%

Question Thirteen : If you drink bombers, which bombers do you drink?



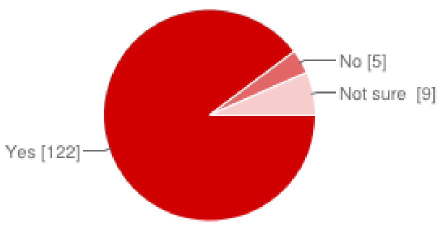
Jager Bomb	**107**	70%
Skittle Bomb	**24**	16%
Glitter Bomb	**19**	12%
Other	**3**	2%

Question Fourteen: How much on average do you spend on a drink when out?



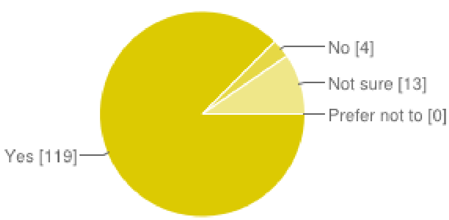
£1-£1.50	**5**	3%
£1.51.-£2.00	**17**	12%
£2.01-£2.50	**45**	31%
£2.51- £3.00	**29**	20%
£3.01-£3.50	**20**	14%
£3.51-£4.00	**16**	11%
£4.01+	**15**	10%

Question Fifteen: Are you interested in trying new drinks?



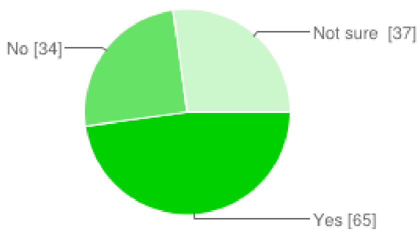
Yes	**122**	90%
No	**5**	4%
Not sure	**9**	7%

Question Sixteen: Would you drink a alcoholic drink with a vodka base?



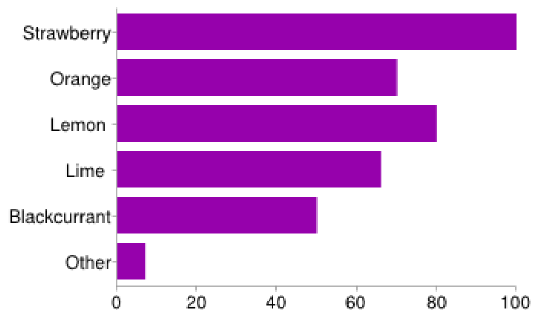
Yes	**119**	88%
No	**4**	3%
Not sure	**13**	10%
Prefer not to say	**0**	0%

Question Seventeen: Would a tablet that dissolved into alcoholic drink interest you?



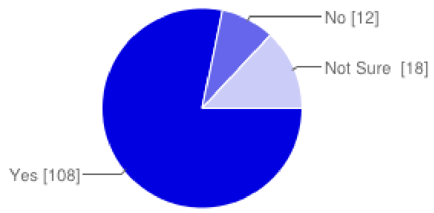
Yes	**65**	48%
No	**34**	25%
Not sure	**37**	27%

Question Eighteen: Which flavours of drinks would you enjoy trying?



Strawberry	100	27%
Orange	70	19%
Lemon	80	21%
Lime	66	18%
Blackcurrant	50	13%
Other	7	2%

Question Nineteen: Would a drink based on retro sweet flavour be of interest to you?

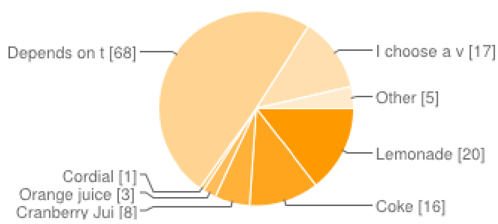


Yes	108	78%
No	12	9%
Not Sure	18	13%

Question Twenty: Which retro sweets do you enjoy eating?

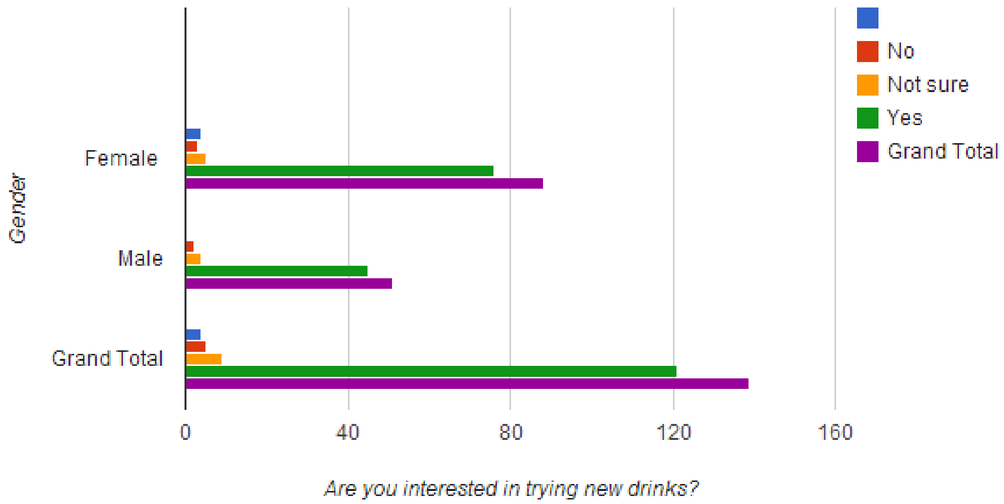
Fruit Salad blackjack Refreshers Starburst, skittles, popping candy Gobstoppers refresher refreshers w
giant strawberries, milk bottles, fizzy cherries Blackjacks Love hearts, drumstick Sherbet dib dabs, pear drops, fr
anything im a fat whale flying saucers love hearts Jelly sweets dip-dab, wham bars, etc Ruhbarb & Custard,
bars, drumsticks Wham bars Refreshers Drumsticks, millions Drumstick, refresher bars Flying Saucers d
scaucers, drumsticks, pear drops Loads of them Love hearts, Parma violets, cola cubes Love hearts, para viloets
violets Cola cubes, rhubarb and custard Cola cubes Jelly babies fruit salads Cola cubes, wham bars Drum
hearts Wham bars, refreshers, parma vilotes, yorkshire mix, love hearts. Wham bar Cola Bottles strawberry lac
Blackjacks, Refreshers. drumstick, cola bottles Jelly tots Skittles Fizzy Cola bottles What's retro? wine g
Jacks love hearts. tutti fruity black jacks and fruit salads cola bottles, strawberry laces Kola cubes love hear
hearts Love hearts Parma Voilets kola cubes Love hearts, Foam bananas

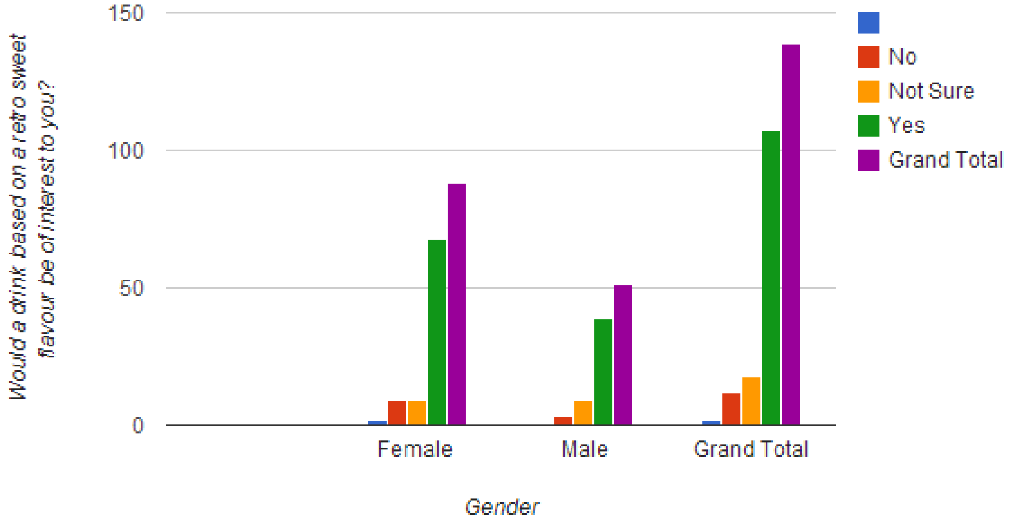
Question Twenty One: What is your favorite mixer?

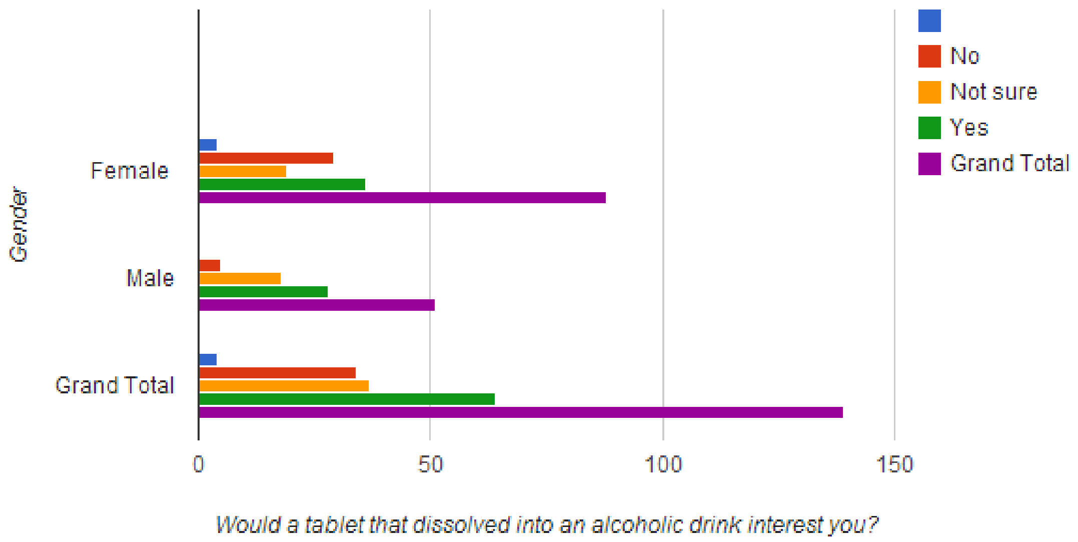


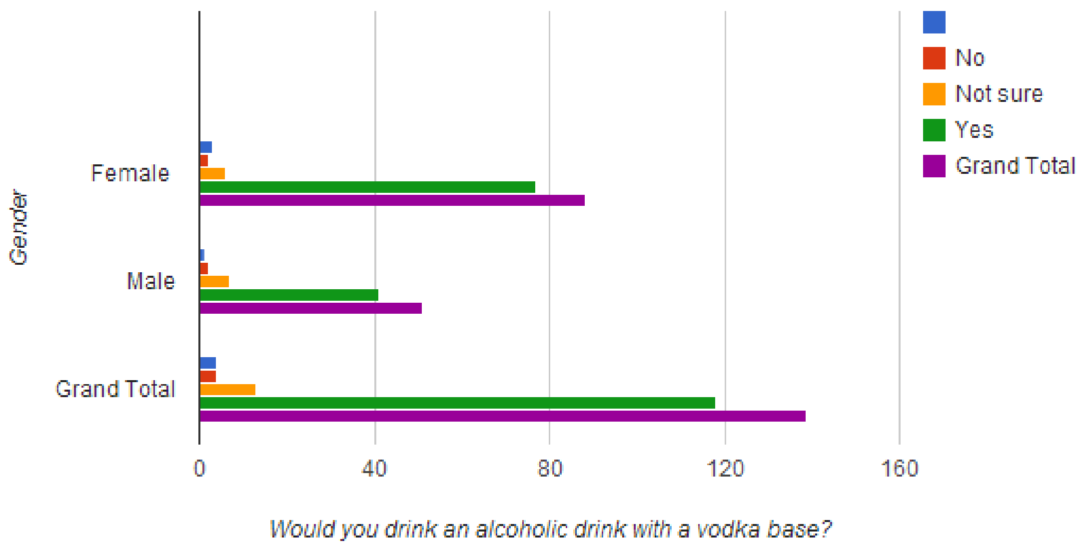
Lemonade	20	14%
Coke	16	12%
Cranberry Juice	8	6%
Orange juice	3	2%
Cordial	1	1%
Depends on the drink	68	49%
I choose a variety of mixers	17	12%
Other	5	4%

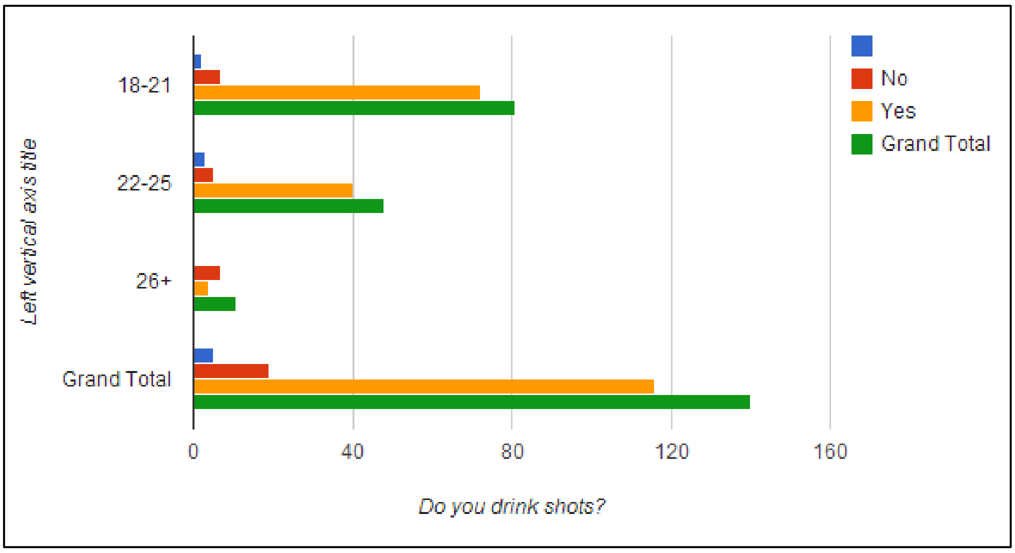
Appendix 3 – Primary research results – Cross tabulations



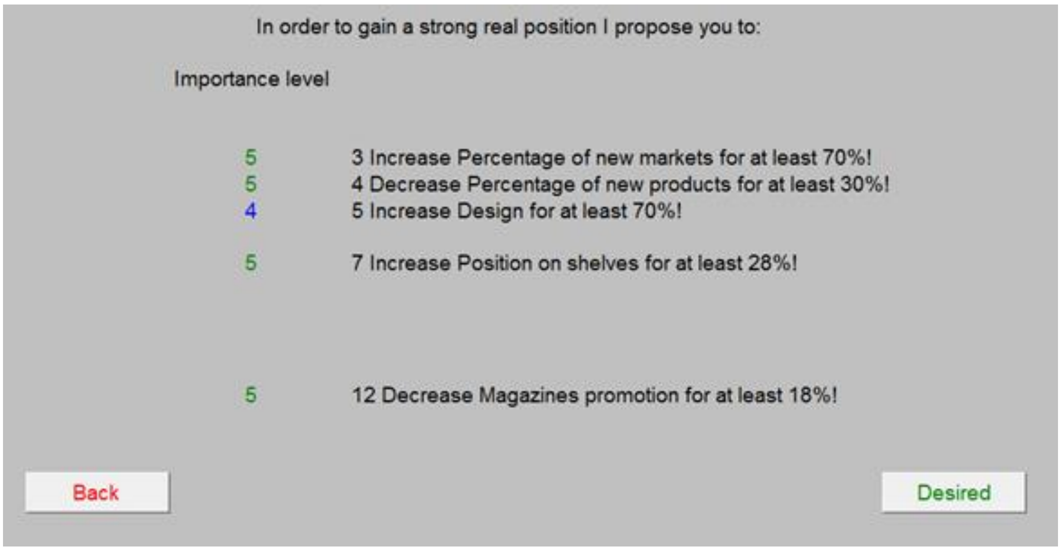



Gender
Female
Male
Grand Total
0
50
100
150
No
Not sure
Yes
Grand Total
Would a tablet that dissolved into an alcoholic drink interest you?


Gender
Female
Male
Grand Total
0
40
80
120
160
No
Not sure
Yes
Grand Total
Would you drink an alcoholic drink with a vodka base?


Left vertical axis title
18-21
22-25
26+
Grand Total
0
40
80
120
160
No
Yes
Grand Total
Do you drink shots?

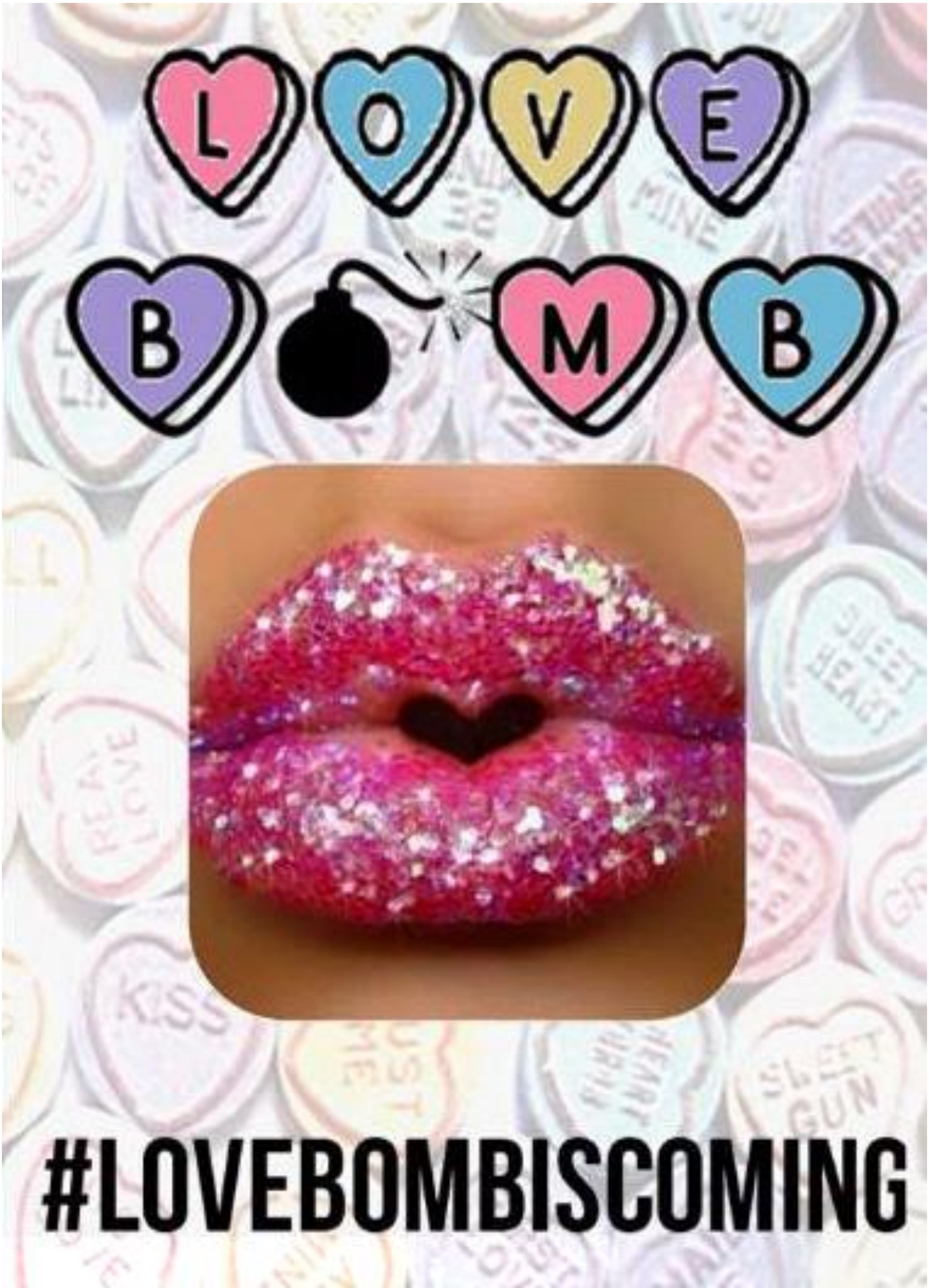
Appendix 4 – Justification of the marketing mix



Appendix 5 – Product mood board

Appendix 6 – Magazine Promotional Campaign

Appendix 7 – Social Media Promotional Campaign



Appendix 8 - Packaging

Reference List

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THE GLUTEN FREE BAKERY

Walker, A., Hampson, T., Roddy, D. & Dentith, T.

Abstract

This report investigates the gluten free market and relevant factors surrounding entry into the baked goods segment specifically focussing on 'Gluten free flapjacks'.
The research in this report draws attention to the possibility of entering the gluten free baked goods segment and identifies the rapidly growing gluten free UK market with 12% of adults purchasing these products (mainly the under 35s and AB segments.) This is a key area to develop upon within the continuous identification and need for healthy foods and even snacks on the go.

1.0 Executive Summary

This report investigates the gluten free market and relevant factors surrounding entry into the baked goods segment specifically focussing on 'Gluten free flapjacks'.

The research in this report draws attention to the possibility of entering the gluten free baked goods segment and identifies the rapidly growing gluten free UK market with 12% of adults purchasing these products (mainly the under 35s and AB segments.) This is a key area to develop upon within the continuous identification and need for healthy foods and even snacks on the go.

2.0 Situational Analysis

2.1 Market Summary

Gluten free products are a rapidly growing sector within the UK with 13% of adults purchasing these products, mainly the under 35s and AB segments.
These products are mainly brought by this demographic due to their appeal to a healthier lifestyle and an increase in gluten intolerance
Gluten free consumers are looking for products categorised as on-the-go/convenient snacking (35%)
Euromonitor forecasts a value growth of 28.1% from 2012-2017 in the gluten free baked goods sector and lists it as one of the fastest growing segments.

2.1.1 Market Demographics

Geographical - Gluten-free is the most typically purchased free-from food, bought by 13% of adults.
Demographic - One in four adults have eaten or bought free-from food in the past six months, peaking among under-35s AB category.
Behaviours - One in five free-from users note a lack of low-calorie gluten-free options, reflecting how gluten-free food can often contain extra fats to enhance the binding quality or flavour in the recipe. To offset this, brands could reinforce and promote other key elements in their products, such

as high fibre. Gluten-free products are also seen by many as easier to digest and more suitable for their active lifestyles. (Mintel, Meat-Free and Free From Foods, 2013)

2.1.2 Market Needs

A healthy, convenient 'on-the-go' baked flapjack, gluten-free, natural and has added health benefits while promoting nutritional values to consumers who chose to avoid gluten.
A variety of tasty, new exciting fruity flavours.
By incorporating naturally healthy ingredients companies could tap into the halo effect of healthier lines.
Mintel's GNPD highlighted that food and drink launches that contained oats, and make a gluten-free claim, increased by 45% from 2010-12.
A proportion of adults would like to see a wider range of free-from on-the-go/snack items (see Mintel's *Meat-free and Free-from Foods – UK, September 2012*).

2.1.3 Market Trends

Celebrities linked to a gluten-free lifestyle help to raise interest and awareness
Retailers labelling mainstream brands e.g. soups, ready meals gluten-free
Mainstream bakeries developing dedicated sites for gluten-free production e.g. Warburton's (UK) 2010, Jowa (Swiss Bakery) 2011.

2.1.4 Market Growth

What will drive future growth?

Healthy lifestyle positioning
Rising levels of incidence/diagnosis
Deeper Penetration – other sectors, e.g. food service
Wider Range – Bigger offer means lower price differential and opportunity for better quality
Gluten-free food performed particularly well in 2012, with 12% current value growth overall and 12% growth in the bakery section.
Forecast of value growth of 28.1% from 2012-2017 in gluten-free bakery products

2.2 SWOT Analysis

2.2.1 Strengths
* The Gluten Free trend is the third most popular trend in healthy eating in the world at 45% (Euromonitor-Gluten-free, Lactose-free, and Other Popular Eating Trends around the World)
* Gluten-free food has delivered an outstanding performance for quite a number of years. Even in recession-hit 2009, the category achieved double-digit global value sales growth of 11% (calculated based on a 2009 fixed US$ exchange rate), compared to a much more sedate 3% for overall health and wellness products. Over the 2004-2009 review period gluten-free food registered a CAGR of 15%, a stronger performance than the 10% achieved by the food intolerance category as a whole.

2.2.2 Weaknesses

* Health professionals often make the point that many gluten-free products provide sub-standard levels of essential nutrients.

* The best area for growth may well be gluten free food, in which bread and pasta remain the absolute fundamental products. Both products can lead to bloating and poor digestion for those who are gluten intolerant, and can also affect fitness, concentration and mood.

2.2.3 Opportunities

Gluten-free bread and similar products are already featuring among the new product developments of important players, and it is expected that interest in this category will grow. “Free from” baked goods are becoming increasingly interesting because these products, normally aimed at consumers with food intolerances, are increasingly demanded by people with no intolerances, but who consider gluten-free products as being easier to digest and as such more suitable for their active lifestyles. (Euromonitor - Baked Goods in the United Kingdom – December 2013)

* A two-pronged approach including visible icons placed by manufacturers on products, combined with in-store signage, can be effective in reaching gluten-free consumers.

2.2.4 Threats

* Risk of gluten contamination, which is a core problem for mainstream food manufacturers using the same facilities for all their lines.

* Consumers are becoming increasingly discerning with their budgets and looking to justify buying products which cost extra. In one sense, adults with coeliac disease are a captive audience and have to rely on gluten-free products. However, the 99% of the population who are undiagnosed as intolerant of gluten may be increasingly liable to give up on gluten-free, at least in the short term.

* Taste is another area in which improvements are still possible and, despite progress being made, many consumers are still being dissuaded from buying gluten-free products on this basis. The steady growth in NPD would intimate that manufacturers are improving the quality of their products, something that will continue to be necessary to attract and retain users.

* Unfavourable views of the appearance and consistency of gluten-free products are also potential threats

2.3 Competition

(Above is a table from Mintel showing leading free from foods.)

2.4 Products Offered

Our company offers a tasty gluten free flavoured flapjack with added health benefits of extra protein, fortified vitamins and nutrients.

There is currently not a snack like this on the market. With this new trend and the growing popularity of people switching from the four big supermarkets to Aldi and Lidl, we cover a lucrative niche in an unsaturated market.

Our product is made of the finest ingredients with added extras.

2.5 Keys to Success

To succeed within the gluten-free industry we need to focus on 3 main elements. The 3 elements we are prioritising are:

Product Quality – The gluten-free industry currently has similar products but reviews are negative around flavour and quality and none have the protein or vitamin content ours will boast.

Distribution methods – By ensuring exclusivity with the 'discount' supermarkets Lidl and Aldi, in their gluten free range, we gain a competitive advantage over the field and secure a growing channel for the future.

Packaging – To position ourselves as a premium brand we are going to focus on our packaging standing out on the shelf. Although we don't plan to be placed alongside direct competition our research shows that the gluten-free range in stores such as Tesco and Asda looks very beige and dull and we plan to buck this trend.

Porters 5 Forces:

Threat of New Entrants - Low:
Threat level is low on the surface because we will be own brand products meaning we will not see another product like ours introduced into the stores. However, we face a threat of Aldi and Lidl's non-renewal of the contract for us to manufacture the product for them as well as suppliers offering to manufacture the product for less.

Competitive Rivalry - Low
There are only a small number of gluten free producers currently in the market, and even less gluten free flapjacks.
The industry growth rate is high – competitors will focus on getting new people into the market, rather than trying to obtain customers from a rival.
Product differentiation is low – Entering the market with a differentiated product will further reduce competitive rivalry.

Bargaining Power of Suppliers – High
A large amount of the power will be in the hands of the suppliers due to the nature of the product, for us to have more bargaining power over suppliers we would need to become a major player in the industry or there would need to be more trusted suppliers.

Threat of Substitutes – Low
As aforementioned substitutes do exist within the market we are aiming to penetrate however none are doing what we propose.

Bargaining Power of Buyers – High
The power of buyers is key to the success of the brand due to our strategy. If the price is too much for the product then the consumer may be put off. This could dictate whether the buyers will continue to supply our product.

2.8 Macro environment - PESTLE

Political–
* Within the UK over 90% of British celiac patients receive gluten-free food on a prescription for a gluten free diet. This essentially means patients gain gluten-free food at a heavily discounted price.

Economic –

* Gluten free bakery products are a driving force in the sector and saw a 12% growth last year (2012)
* Mintel (2013) stated that during the build up to Christmas (12 weeks ending December 8th) over half of the UK shopped at Aldi or Lidl (50.1%) in comparison to the 46.1% of households the year previous (2012) boasting further growth in 'discount' grocers.
* When researching products available, on average, in supermarkets gluten-free sells for around 242% more expensive than its standard counterparts and in some cases up to a 400% increase in price.

Social –
* More consumers are seeking out gluten free products and it is currently the third most popular eating trend based on research in Euromonitor. This is helped as celebrities continue to endorse the benefits and promote 'fad' diets around gluten free identifying, with no science, gluten as unhealthy and fattening.
* Studies show that processed gluten free foods tend to be low in vitamins, minerals and fibre due to starches such as rice and tapioca being used meaning a lot of people are showing unhealthy habits when choosing a gluten free diet.

Technological –
* Factories with production lines already set up face the issue of gluten contamination causing issues and problems for a larger manufacturer and explaining why the category is dominated by smaller specialist producers

Legal –
* Commission regulation (EC) No 41/2009 stipulates that a product may bear the term gluten free if the gluten content does not exceed 20 mg/kg in the food sold to the final consumer. This regulation is directly applicable in all EU member states.

Environmental -
* Based on consumer reviews and feedback within the gluten-free market competitors products are 'plain tasting' and 'unsatisfying'
* A number of other niche markets such as bodybuilders are open minded when it comes to products and healthy alternatives with this market specifically being attracted by buzzwords like high in protein and fortified with vitamins

2.9 Channels/ Distribution

We will distribute our products through supermarkets 'Aldi' and 'Lidl'.
The products will be exclusive with the supermarkets own logo on them.
The low cost supermarket gluten free market remains relatively untapped; Lidl having never sold a gluten free product and Aldi trialling bread and pasta in May 2013.
It is a growing channel which has been attracting middle class consumers who are finding quality products.

3.0 Marketing Strategy

3.1 Mission

The Gluten Free Bakery is dedicated to providing tasty gluten-free flapjacks with added protein, vitamins and nutrients to Coeliac and the health conscious alike.

3.2 Marketing Objectives

Increase awareness in the free from market for Gluten Free Bakery

To increase the market share by 5% in the UK by 2015

Differentiate Gluten Free Bakery products from other gluten free products on the market via product promotion and packaging designs

Promote the benefits of Gluten Free Bakery products through handouts, leaflets and emails to increase brand awareness by 50% by 2015

3.4 Target Markets

We plan to target the most active segment of the market – the under 35 AB's category:

This type of product is bought by this demographic due to the healthier lifestyle wants or needs.

Gluten free consumers are more aware of the ingredients in the products, therefore by increasing awareness of healthier natural ingredients and their added health benefits i.e. high in protein to gluten free products it can appeal to the main segment of the market who buy gluten free products.

3.5 Positioning

Our product plans to exploit the market need by using healthier alternative ingredients such as agave syrup and fruit to boast nutritional value, lower glycaemic index and better taste than the leading competitor positioning us clearly as a leading brand.

3.6 Strategies

We have identified from Porters five forces that for our product to succeed in the market we are going to utilise product differentiation. Due to our flapjacks being produced from high quality materials and bound together with agave syrup, the price of our products will have to be premium due to the cost of the raw materials. Furthermore to emphasise the premiumisation of our product we have designed unique packaging that stands out from the competition in the market. To differentiate from the competition we will emphasise the high quality ingredients and packaging, which will aid us in holding a substantial market share.

3.7 Marketing Mix

3.7.1 Product Marketing

* Many of the leading food retailers have in recent years actively expanded their free-from foods offering. However, the likes of Waitrose, Tesco or Sainsbury's that do offer some own-label gluten-free breakfast cereals tend to focus on larger packs that are not as convenient for snacking and on-the-go occasions as the highly successful porridge pots.

*Identifying gluten-free products on store shelves will become increasingly important. Consumers who are already seeking out these types of products place high importance on shelf and product labelling to help them in their purchases, 3.7.2 Pricing

*We will price around the same as the competition as this is based largely on the fact we are a premium product and core ingredients will be expensive meaning profit margins will be lower than our competition.

* We will set a price promoting the premium aspects of the product and the exclusivity rights within the discount supermarkets.

3.7.3 Promotion

FIGURE 1: INFLUENTIAL FACTORS FOR PURCHASING GLUTEN-FREE FOODS, BY GENDER AND AGE, JUNE 2013

Base: 665 internet users aged 18+ who eat gluten-free foods or used to eaten gluten-free foods and buy gluten-free products

* The price disparity between gluten-free and regular products is a significant hindrance to market growth.

* The use of in store promotions will attract consumers to purchase and to launch samples could be given out to show we have faith in the product.

3.7.4 Service/Place

* Aldi and Lidl Supermarkets.
* Aldi currently has 500 stores within the UK with 40 new stores planned for 2014.
* Lidl currently has 600 stores within the UK with 30-50 new stores planned for 2014.
* Placed in own ‘Gluten Free’ section, with clear point of sale displays.

3.8 Marketing Research

<u>Mintel</u>

36% of UK consumers would like to see a wider range of everyday essentials

35% would like to see a wider range of on-the-go/snack items in free-from foods. Mintel - Meat-Free and Free-From Food – September 2013

Gluten-free is the most typically purchased free-from food, bought by 13% of adults, partly reflecting the availability of everyday groceries like gluten-free bread, and media attention to celebrity gluten-free diets. Mintel - Meat-Free and Free-From Food – September 2013

By emphasizing taste and health benefits as well as introducing interesting flavors, gluten/wheat-free bakery brands can expand their appeal beyond the core free-from audience. Mintel - Cakes and Cake Bars – May 2013

By incorporating naturally healthy ingredients, bakery companies could tap into the halo effect of healthier lines. Mintel - Cakes and Cake Bars – May 2013

Gluten-free oats are used for flavor variety and to improve the nutritional benefits of gluten-free foods e.g. for their low glycemic index which is important for those managing blood glucose or Type 2 diabetes. Mintel - Cakes and Cake Bars – May 2013

Consumers are switching to free-from foods out of a wider desire to eat healthier diets. Bread and Baked Goods – September 2013

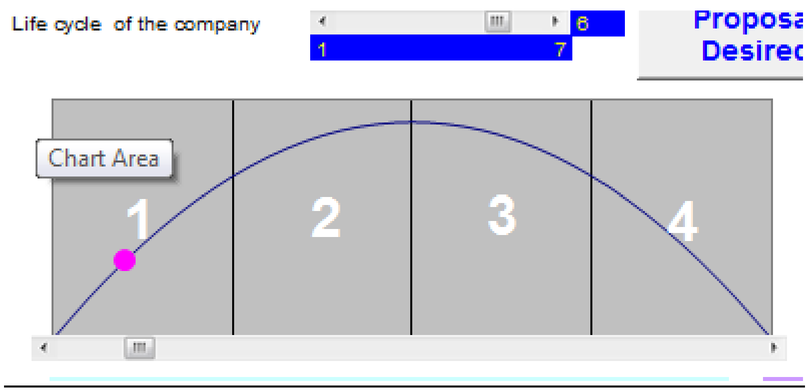
One in six adults live in households with at least one person who chooses to avoid foods such as red meat or gluten as part of a healthy lifestyle

15% live in households where someone is limiting their food choices to be ‘on the safe side.’ Mintel’s *Meat-free and Free-from Food – UK, September 2011*

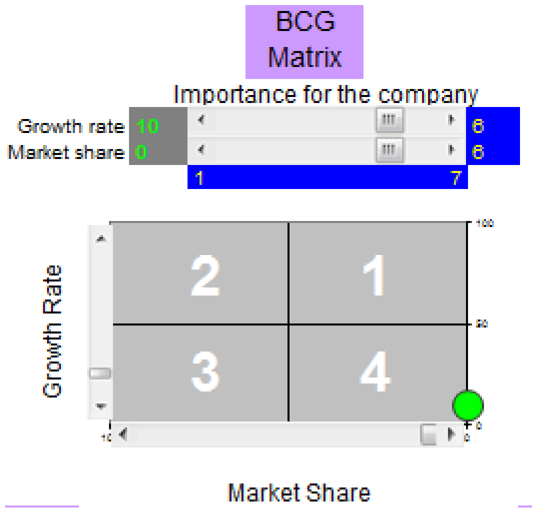
The more palatable and competitively priced specialist dietary products become, the greater potential there is for market expansion beyond the core users.

4.0 Appendix

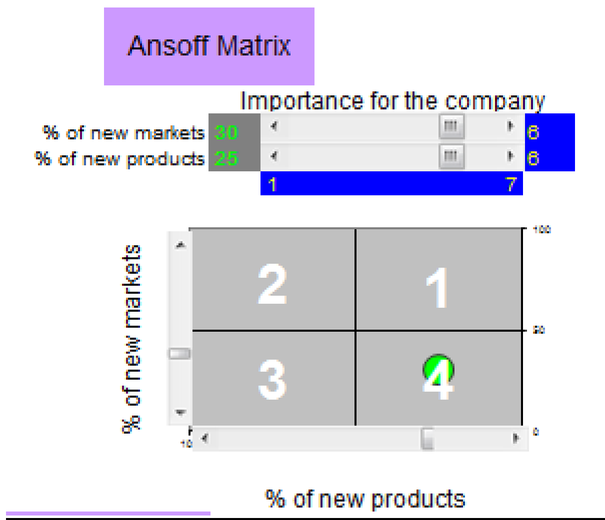
<u>Rivalry Among Existing Competitors:</u>



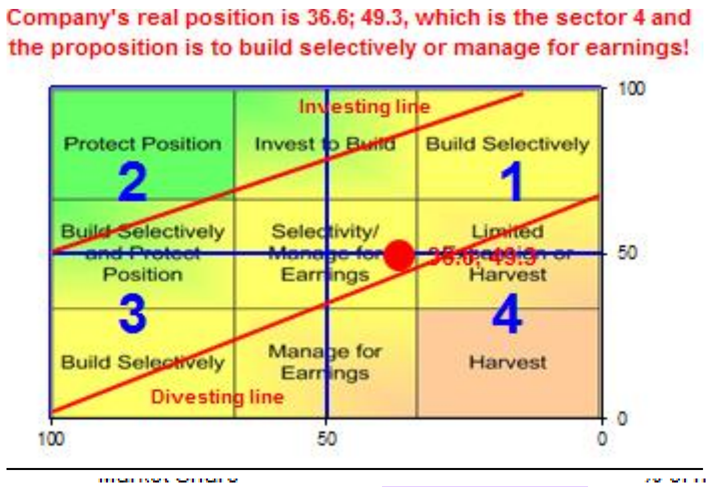
<u>BCG Matrix:</u>

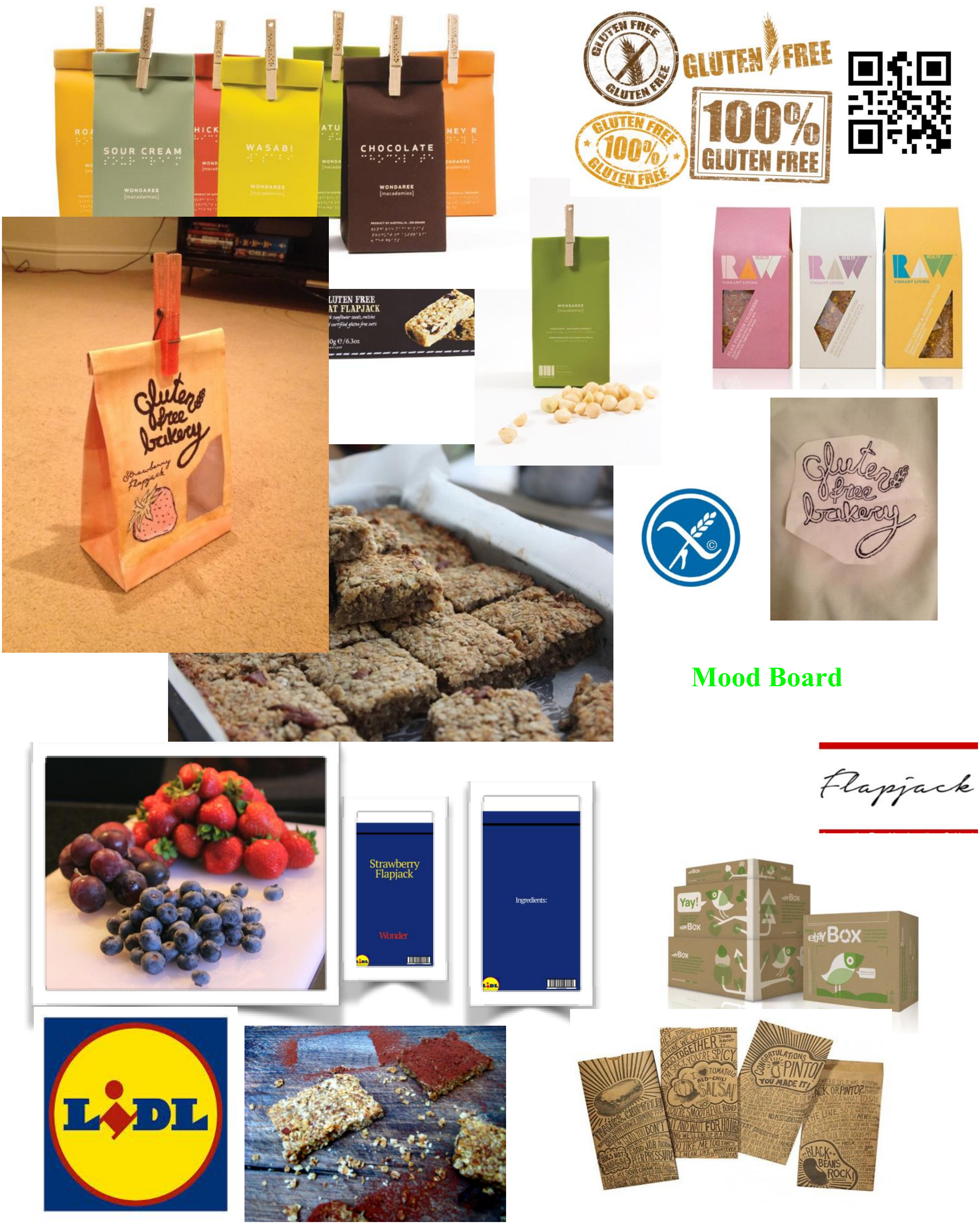


<u>Ansoff Matrix:</u>



McKinsey Matrix:




SOUR CREAM
WASABI
CHOCOLATE
WONDAREE
[macadamias]
GLUTEN FREE
100% GLUTEN FREE
Gluten free bakery
Strawberry flapjack
RAW
Flapjack
Strawberry Flapjack
Wonder
Ingredients:
LIDL
Yay!
ebay Box

Mood Board

STYLE MATCH – MOBILE APP

Nayee, P. & Hodgson, L.

Abstract
The international mobile market in general is set to grow with three quarters of consumers now being able to use a phone. Ofcom (2014). This can only mean that the app market will also see an increase growth in consumer users. Style Match is the ideal mobile app for fashionista's and those on the go consumers who are looking to personalise their wardrobes with the click of a button. It is designed through the method of using a barcode scanning device which allows customers to scan a product and find additional items that could potentially fit together to make a final outfit. The app provides the ability for customers to be transferred onto retailer's website so that they can sufficiently purchase any items that they have seen.
The paper proposed outlines the primary research conducted using a questionnaire and focus group as well as secondary research for us to understand the mobile app market, competitors and also the fashion industry itself. In addition, understanding consumer needs, behaviours and trends helped us identify the niche in the market for fashion apps.

***Key Words**: Style Match, mobile app market, trends, fashion*

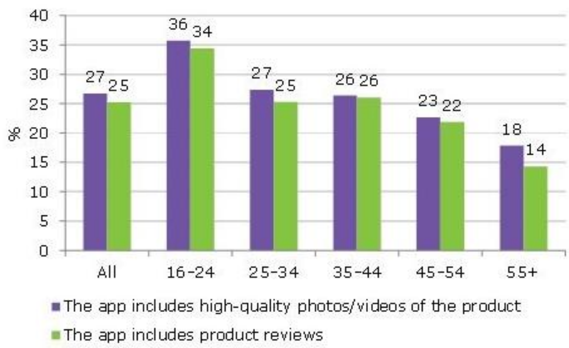
Situation Analysis

- **Market Summary**
- **Market demographics**
    - *Geographic* – product marketed through the internet so therefore location will be based for majority of consumers in the united kingdom

    - *Demographic* – both male and female genders 18 – 35 year olds average income is an estimate of £30,000. Most consumer attitudes and conceptions continuously change however; the most important factor highlighted with 40% of smartphone owners is with the app being easy to use as an encouragement for purchasing. A huge focus on functionality; quality of photos and videos with product reviews will appeal meet consumer preferences.

Figure 48: Appeal of apps that have high-quality photo/video and apps that include product reviews, when convincing consumers to shop via mobile apps, by age, July 2013

Base: 1,350 internet users aged 16+ who own a smartphone



- *Psychographic* – technology increase means frequent availability and the emergence of upcoming gadgets such as tablets i.e. iPad, kindle etc promotes the frequency of online shopping to 'once a week or more' therefore time and ease of access is important factor for the app.

- *Behavioural attributes* – a big focus on the benefit of saving time; able to browse and navigate through the app efficiently. Gaining reviews and recognition on (android app appraisal) sites such as Mashable and Techcrunch) will promote loyalty for consumers and the relationship they develop. Mintel (2013) states "In a wider sense, product reviews act as a particular incentive bringing consumers to shopping apps".

Figure 46: Consumer attitudes towards shopping through applications, July 2013

Base: 1,350 internet users aged 16+ who own a smartphone

"Thinking about purchasing products through a shopping or retailer's app (eg Argos, John Lewis or Amazon), which of the following, if any, might encourage you to purchase through an app? You may select up to five statements."

	%
There is a discount for ordering through the app	41
The app is very easy to use	40
The app's payment system is guaranteed by a company I trust (ie Visa, MasterCard)	34
The app includes high-quality photos/videos of the product	27
The app includes product reviews	25
Products can be ordered through the app and picked up at the store	20
Products can be compared with other websites and stores	14

➢ Market Needs

Current climate means consumers have less disposable income and therefore the Style Match app is a free of charge to meet these needs. Majority like to shop on their phone; over an estimate of 50% consumers are now purchasing via smartphones and therefore this app is ideal and meets the needs of those who want to purchase a matching product to compromise an outfit. Style Match is an beneficial intangible service that will provide consumers a seamless shopping experience anytime/anywhere and also self-control to what they want to purchase.

➢ Market Trends

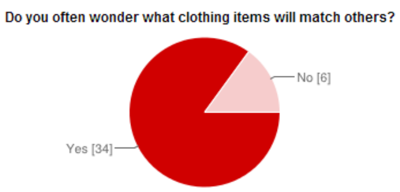
A demographical trend such as geo-targeted push notification is an increasing within the mobile app market. Style match can target consumers with relevant product information based on what location they are situated in using the push-notification. Social media influencing heavily on product decisions therefore by promoting and advertising Style App on sites such as Facebook, Twitter etc will aim to come up with this trend.

➢ Market Growth

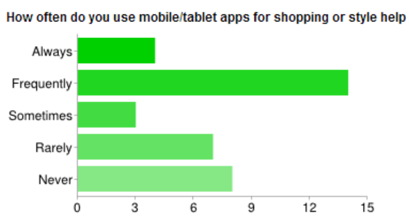
The market for mobile app is static and will continue to grow as Portio Research (2014) states "…new forecasts show that 2013 will see 82 billion apps downloaded worldwide, taking the cumulative total to 165 billion apps by the end of the year." Apple's App store is the lion's share of revenue amongst the market so therefore, Style Match will consider launching the app within that service. Other services such as Google Inc.'s Android Market, Research in Motion App world etc will also be a target location.

- **SWOT Analysis**

<table>
<tr>
<td><u>Strengths</u>
- The focus group (of 10 people all from our target audience) agreed our idea is solid and they would definitely use it.
- Style Match provides an overall better shopping experience, allowing consumers to be more confident.
- When partnered with retailers, we will have the best fashion knowledge and experience we need.
-</td>
<td><u>Weaknesses</u>
- Could be difficult to get retailers to sign up due to our lack of experience.
- Inexperienced in the RFID technology.
- If a user scans an item of clothing that isn't part of our retail database, it won't work, which may put the consumer off.</td>
</tr>
<tr>
<td><u>Opportunities</u>
- 85% of our respondents (see graph 1) said they find it hard to match items of clothing with others – this means huge potential for our gap to fill this market.
- 45% of our respondents (see graph 2) will be likely to use our app because they are already familiar with the fashion app market, but this also means there is a market to target the non-users and non-frequent users.
- Room to expand to other products in the future, not just clothing retail.</td>
<td><u>Threats</u>
- According to secondary research, the app market is constantly changing and mobile and tablet apps are known to have a short lifecycle with the user. 88% of our respondents (see table 3) go shopping at least once a month, meaning that our app will have a continuous use.</td>
</tr>
</table>



Graph 1



Graph 2

Graph 3

- **Competition**

The closest competition would be the technology used in the Burberry store in London. Burberry use RFID technology with their interactive mirrors in store; when you walk up to the mirror with an item of clothing, it scans the barcode to give details and matches with the outfit in the customers hand.

Our idea is a more accessible version of this, not everyone can afford to shop in Burberry, especially our demographic of users. Also our main difference is that we bring a number of the consumer's favourite stores together in one app to give alternate matches.

Here is a list of other competitors in the fashion market:

- ***Polyvore:*** A website and app which allows the user to view collections of clothes, made by other users, styling and shopping tips and also to buy the clothes by following links through to the retailer.
- ***Shopstyle***: A website and app allowing the user to browse and buy clothes from almost every designer and retailer. To buy the user must follow links to the retailers own site.
- ***Topshop:*** Personal shoppers free service. According to the primary research, 100% of our respondents don't like to ask assistants for style help in store for various reasons, such as they can often be unapproachable, they will have different tastes, or that it can often be awkward.

We allow users to be in control, they use the RFID scanning technology with the app to scan their own or desired item of clothing, then they receive a selection of matching items or alternatives. Unlike our competitors, the customer can use the app at home with their own items (if the retailer is one of our partners) or in store, which will connect to the retailers wifi and give a selection on their phone.

- **Product Offering**

We allow users to be in control, they use the RFID scanning technology with the app to scan their own or desired item of clothing, then they receive a selection of matching items or alternatives. Unlike our competitors, the customer can use the app at home with their own items (if the retailer is one of our partners) or in store, which will connect to the retailers Wi-Fi and give a selection on their phone.

- **Key To Success**

Building in-virility within Style Match by using Instagram, Facebook etc will increase the engagement of the app. Measuring how effective our marketing channels through tools such as Tapstream for example will help us identify key to success. The illustration below shows the process. Use renowned sites such as Mashable, The Telegraph mobile app review etc to gain reviews, recommendations, publicity etc on Style Match.

Measure your app marketing channels' effectiveness with Tapstream's SDK

- **Macro-environment (PESTLE)**

Political Factors – laws surrounding by the production of clothes; Retailers who we have partnered with may have their distribution and production line of products from other countries outside of the UK. We need to ensure production is fully legal before we partner with those retailers

Environmental Factors **–** issues faced could be the production of garments from retailers; are we dealing with those who cater for environmentally friendly garments.

Social Factors **–** cultural shift and behaviour with more consumers now purchasing online especially fashion products which in return means the increase use of the internet.

Technological Factors **–** the growth in smartphone technology is increasing therefore the demand and expectations of mobile apps are high. Network technology advancing from 3G - 4G means quicker and ease of use of Style Match. RFID scanning technology that we plan to is use may adapt or change in the coming years therefore it isn't as stable.

Legal Factors **-** certain legislations and agreements that need to be followed. 'IPhone Developer Program License Agreement' and 'Android Market Developer Distribution Agreement.'

Economical Factors **–** due to the recession the spending habits of consumers are increasingly low

Marketing Strategy

- **Marketing Objectives**

- To provide an overall better shopping experience for our customers, both in store and online, by providing the best possible service and styling help.
- To partner with the Arcadia group within the first year of our app – once we have the arcadia group, that is 9 of the UK's biggest retailers to guarentee success for our app.
- Achieve 70% 4 star or above customer satisfaction on our rating system within the app in the first 6 months – this means we will have a good idea of exactly what our customers like, so we know that our styling skills are effective.
- Be in the iTunes top ten apps within the first year – becoming market leader is unrealistic in the fashion app market due to competitors such as the retailers own apps.

- **Target Market**

Style Match is versatile so therefore it will be ideal for any genders between the age group of 18-35 year olds. To maximise sale growth, researchers predict "Creating a mobile optimised website and shopping app is the key to taking advantage of the extra sales from this age group". (Studio 2012).

- **STP Analysis**

Segmentation – as stated from the information in the situation analysis, our demographic is men and women ages 18-35 with a maximum income of £30,000, generally people who are attending college, starting families, or newly married. For psychographics and behaviours/attitudes, these people have busy lifestyles and they're up to date with the latest technology.

Targeting – We are planning to target a number of markets with our product. By creating an app, this means we're targetting apple and andriod users in the UK. Another market we're focusing on is fashion retail. Although there are other markets who will take an interest in our product, this is our main target because it is the best suited to our demographic.

Positioning - For fashion lovers who often find themselves wondering what to wear, Style Match is perfect for finding the right clothes to match a particular piece or style. Unlike Polyvore and Shopstyle, our mobile phone app offers an extensive list of clothing matches and alternatives for our users by scanning the item of clothing with your mobile phone camera.

- **Strategies**

	Differentiation - High	Cost Leader - Low
Buyer		Yes
Supplier		Yes
Competitors		Yes
New entrants	Yes	
Substitutes		Yes

To develop a strategy, we first need to look at porters 5 forces. This table shows the forces, and demonstrates which strategy is best suited to us. It is explained more below

Bargaining power of buyers – LOW

In this case, our buyers are our retail partners and our customers. We are providing these people a service. Our service is still more affected by differentiation; although the retail partners may have the power to slightly drive down our prices as we are a new app, our customers will still pay the set price from the retailer so there is little bargaining power in their situation.

Bargaining power of suppliers – LOW

We don't have a lot of choice of suppliers for our app and with our type of product this would leave little involvement for the suppliers, there isn't much to negotiate price wise.

Competitive rivalry with an industry – LOW

With our product being unique in the app market, we feel that there is no direct competition that may be a considered a driving force. This means we can use our cost leadership to gain custom and to establish our position in the market, so we can set ourselves above competitors

Threat of substitute products – LOW

There aren't many ways a competitor could produce a substitute product, our service is unique in the market. The only way a similar product could arise in the near future is if stores decided to bring in new tatics in store in a physical form (such as improved customer service, all major retailers might decide to use personal shoppers) to gain more custom, but this wouldn't be in direct competition because our service is online based.

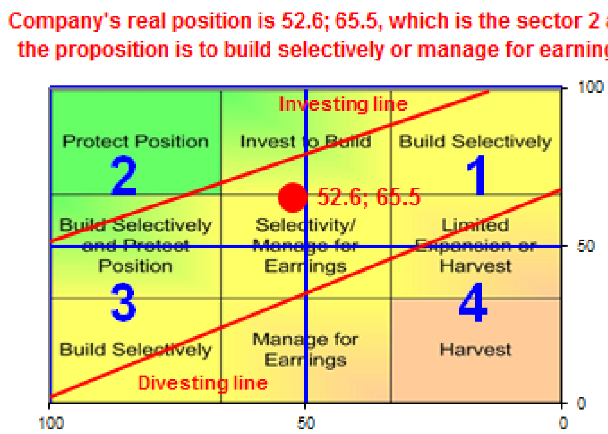
Threat of new entrants - HIGH

New entrants could be a threat to us. If a competitor joins the market, they could offer the same service to our clients (retail partners) at a more suitable price for them. Our app idea could spark plenty of ideas for other companies to replicate or even develop in order to compete. We need to bring this threat to a minimum, we could start by patenting the brand and it's combination of the software that forms our service.

After looking at the 5 forces we can see that cost leadership is our strategy. We will rely on cost leadership to gain as much custom as possible and position in the market to establish a sought after, popular brand. After assessing porters 5 forces we have noticed the cost leadership strategy is perfect for our service as we don't require large budget for advertising. With promotion through our retail partners and social media, this will dramatically reduce our costs compared to traditional advertising.

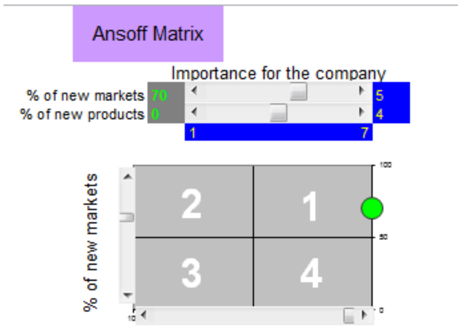
- **GE Matrix**

For the GE Matrix, we are currently in sector 2. Within this sector the GE matrix shows that we need to proceed with care. We are bordering on the yellow and green zone, which puts us in quite a good position with our product, showing that it has a medium to high attractiveness. This means our product has a good chance of succeeding but we need to proceed slowly. The GE matrix also shows we are close to the investing line which means our product will be good to invest in.



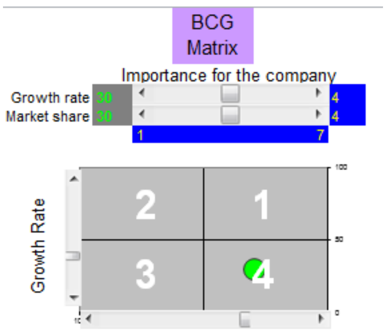
- **Ansoff Matrix**

Our product is currently in product development. This our current strategy because we're developing the product in an already established market. This means that we need to take time to research and develop our product in order for it to succeed. We will modify our product to suit the market in the way that we will use the existing RFID technology but apply it so it suits our product and our market effectively, as the RFID technology has not been used in this industry through the mobile phone app platform before.



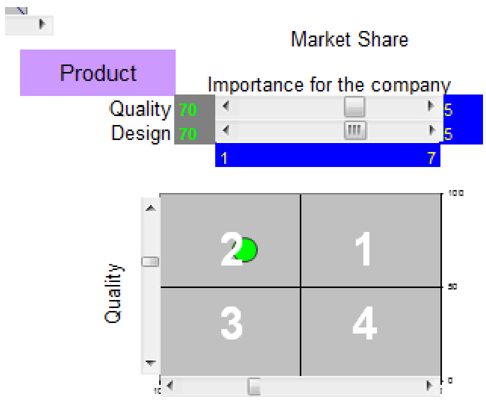
➢ **BCG Matrix**

According to our model, our product is currently in the 'dog' section of the BCG. This may be due to the fact our product isn't actually on the market yet. We currently have low growth and and low cash flow. When our product is launched we expect it will be in the 'star' section, it will require investment to grow, but we then think once the investments have been made it will be easy to reach the 'cash cow' section, because it will have a high growth rate with high cash flow.

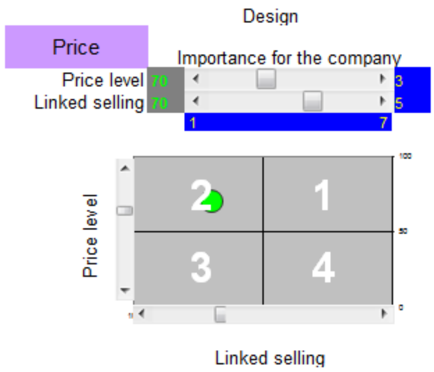


➢ **Marketing Mix**

Product Marketing – two main components Style Match Values its quality and design of the product. The quality of the app determines the continuous use of the app and the design element implements how appealing the app will look to consumers

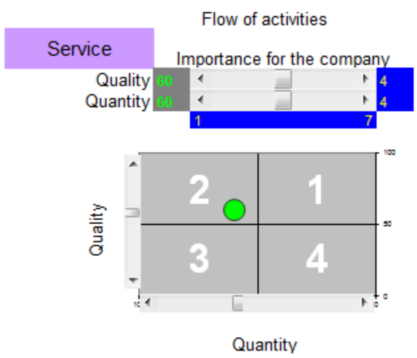


Price – Style Match is a free app that consumers can download however, the revenue we will receive is through in-app purchases i.e. re-direction to retailers websites. Mashable (2014) states "…52% of top-grossing apps using in-app purchases as a significant part of their revenue model”. Our pricing structure is based on price level and linked selling components as the figure below illustrates.



Promotion – Social networks such as Facebook, Twitter etc will be a great way to engage with users and potential users of the app. In store and online promotion through retailers who we work with will allow us to gain publicity.

Service – the functionality factor of Style Match is based on two main components quality and quantity as illustrated in the figure below. Consumers can take advantage of the features available in the app such as the easy and time efficient re-direction to retailer’s website where they can purchase the items found. Maintenance of the app such as regular updates will also be taken into consideration.



Channels Of Distribution – app review and recommendation sites are probable our main distribution channels. In-store and retailers websites are areas in which we think competitors may find hard to imitate.

➢ **Conclusion**

The mobile app market is currently in the growing stage with a stable position which allows the launch of Style Match to be at a prime time. Whilst researching, studying Porter’s five forces analysis etc the market holds less of a threat and more of an opportunity for us to emerge into the mobile app world with Style Match.

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