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European International University



MGT540: Marketing Management

Module Assignment: Marketing Management

Tranquil Water 2021 Marketing Plan

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Company Overview:

Life Water is multi-million dollar bottle water brand located just outside of Los Angeles, California. Their only product is their bottled water and are looking to expand their product line into a greener approach where they are launching “Tranquil Water”, which is made of bio plastics, and is considered to be within their elite product line. Unfortunately, the company has faced backlash from their local community in regards to them consuming way too much water, and the brand’s stance has not gotten any better after the plant manager’s comments. Ms. Zara Leono, the company’s plant manager came out recently to defend the backlash coming from the community with controversial comments that only targeted their competitors and did not defend Life Water itself.

The main objective of this marketing plan is to create awareness of Life Water’s new product line, this new product line will cater towards a larger market and will therefore increase revenues and customer retention. The product is a new biodegradable water bottle made out of bioplastic which keeps in line with the shift into a more sustainable world and brands that are aware of the environment. This will not only help in attaining a larger market, but also in creating a more

Bio Plastic:

Bioplastics are a more eco-friendly alternative to regular plastic. bioplastic is obtained through natural polymers available within recycled food waste, corn starch, and vegetable fats and oils. According to Active Sustainability, bioplastics are 100% degradable and very versatile, and are expected to take over 10% of the plastics market over the next 10 years (Active Sustainability, 2019). Due to PLA (polylactic acids) being easily accessible and is available to obtain from large

industrial facilities, PLA is the cheapest and most efficient source of bioplastic available currently (Gibbens, 2018).

Due to its environmental friendliness, bioplastics use has many advantages that benefit all parties involved. In terms of resources, bioplastics use can help reduce the need for fossil resources, which are becoming very limited, which in turn equals these resources becoming more and more scarce and expensive. Furthermore, bioplastics have the potential to reduce greenhouse gas emissions, since plants are the main source for bioplastic, and plants having the ability to absorb carbon dioxide, the use of bioplastics will lead for more plants to be grown and therefore reduce GHG emissions (Euro Bioplastics org, 2016). Furthermore, bioplastic production uses less oil, which lessens the environmental threat coming from petrochemical oils (Quality Inspection, 2020). Bioplastics' biodegradable nature limits the amount of waste material by offering more options to dispose of the product when it is at the end of its life cycle.

The only downside to switching to bioplastic products is the greater amount of pollutants due to the production process that includes the fertilizers and pesticides used in growing the crops used to create the organic material into plastic (Cho, 2016).

Target Market:

Selecting a target market carefully will aid in efficiently marketing the product and creating the best sales possible. The main target market that we will be targeting are "active green" consumers. Consumers who are sustainably aware and care about the environment and are looking to help in any way possible and are always ready to take action due to their belief in their capability to make a change. Active greens are mostly millennial and Gen-Z consumers that have easy access to social media and are aware of the environmental crisis that the world is facing, and are willing to make a difference. This target market consists of consumers between the ages

of 15-40. Furthermore, we are looking to target consumers that are within the B to A class income segment, meaning that they should have above average yearly income, which equates more than \$50,000 yearly. Targeting this income segment will be beneficial due to their ability to create a change in the environment by purchasing slightly more expensive eco-friendly products. The psychographics of our target market are consumers who have an active lifestyle and are always looking to better themselves and others, through various ways such as working out, reading, and being environmentally aware. The main geographic location of our target market will be primarily the US market, starting of within Los Angeles. Starting of in Los, Angeles before expanding elsewhere will be important due to logistical factors and Los Angeles' population mostly satisfying our target market segmentation.

The perfect buyer persona of our target market will be as follows:

23 year old feminist that resides in Los Angeles, United States and works as a fitness and dance coach and she has a yearly income of \$63,000 and is passionate about creating a change. She attends monthly sustainability events and is very anti-littering and polluting the environment. She aims to make a change in all aspects of her life that are eco-friendly including the purchase of eco-friendly products such as bioplastic water bottles.

SWOT analysis:

Strengths:

- Logistics are already available.
- Massive budget.
- Huge market geographically

Weaknesses:

- Lackluster marketing strategy.
- Lack of PR management.
- New to the sustainability industry.

Opportunities:

- Eco-friendly products are a growing trend.
- Environmentalists are becoming more popular.
- Ease of marketing due to social media growth.
- Growth in social media leads for more brand awareness

Threats:

- Social situation due to COVID-19 has led for consumers to face income and financial issues.

Competitor Analysis:

1. Nestle:

Nestle is a leading food and beverage multinational corporation across the world, they have been leading the industry for a very long time. One of Nestle's main products are their plastic water bottles and they have recently started reevaluating their packaging in order to meet the sustainability needs of the world. In 2019, Nestle doubled the amount of recycled PET (**polyethylene terephthalate**) plastic, this type of plastic is 100% recyclable and is the most recycled plastic in the United States (Nestle, 2020). Furthermore, according to Nestle, "Nestlé collected and co-processed the equivalent amount of plastic as contained in the products sold and

prevented the further flow of plastic into landfills and oceans” (Nestle, 2020). Since Nestle has seen a more environmentally friendly approach, they have tapped into a new and larger market. Nestle’s key strength has always been catering to all types of consumers and segments, for example, although their plastic water bottles are considered to be still water at the end of the day, they use different packaging for the mini size water bottles, where they draw superheroes and other cartoons in order to cater to a younger audience and create a need for their product within that age group. Expanding on their already versatile target market, their new way of packaging has tapped into the same market that Tranquil Water is tapping into, the active greens, those who are looking for eco-friendly products that help the environment, which in turn makes them help the environment. This is why Nestle is a primary competitor.

2. JUST Water:

Founded by artist Jaden Smith, Jaden was looking to build a brand that fights plastic pollution worldwide, where he would create a solution. His solution was JUST Water, a brand that provides still spring water, packaged in a plant-based plastic, or better known as bioplastic. Similar to Tranquil Water, JUST water use plastic gained from different starches, and vegetable oils generated from plants. Which makes them another primary competitor. According to Fundaro (2021), JUST prioritized using sugarcane as their main source to create their plastic, the main reason for their use of this specific plant is that it is the most efficient when reducing carbon dioxide from the air, where 200,000 tons of sugar for plastic represents an 800,000-ton reduction in carbon dioxide annually (Fundaro, 2021). JUST Water’s product line is strictly still water, however they add flavoring into their water offering more than just their spring water, including cherry, lemon, and mint. Their package design is also a driving factor in their sustainability efforts, in an interview with JUST water’s CEO Ira Laufer (2018), they mentioned

how “The carton’s unique shape makes it easy to not only hold and drink, but the wide mouth also makes it easy to refill, which is something we encourage folks to do if they have access to good tap water” (Storelli, 2018). These factors are the main reason why JUST water is a giant in the sustainability market, making them a strong competitor in the region.

3. Water Bottles:

Another sustainable alternative for active green consumers comes at a different type of water bottles, reusable water bottles. Reusable water bottle brands have been making a resurgence over the past couple of years due to their ability to eliminate the factor of pollution and wrong plastic disposal. However, this comes at a more expensive short-term cost, and a less expensive long term cost. Furthermore, these reusable water bottles are dependent on clean tap water, which is not accessible by everyone, and is only accessible by those living in more suburban areas in the United States, where they have easy access to clean tap water where they can refill their water bottles. This as mentioned is a major key for JUST water, where they have designed a water bottle that can be refilled for a couple of more times after purchasing, however also dependent on clean tap water. Two major brands that are leading the reusable water bottle market are LARQ and Iron Flask, both these brands offer different versions of reusable water bottles that each serve a different purpose, varying from cleaning, to purifying, to adding flavor. In order for Tranquil Water to compete with the reusable water bottle industry, Tranquil water will have to have a competitive price where even long term the price differential between purchasing Tranquil water bottles and reusable water bottles will be not that huge. Furthermore, creating a packaging design similar to JUST water where can lead for the product to be used several times before disposal will be very important.

PESTLE Analysis:

*Due to firstly operating within the United States, mainly Los Angeles, we will focus on creating a pestle analysis for this geographical segment. * A situation analysis is a necessity for any business, it helps them understand their surrounding and to learn gaps in the market as well as understand any threats that potentially hurt the business in any form.

Political Situation:

Earlier this year the United States saw a new president be elected in Joe Biden, and after 7 months since his election, the political state has become more and more stable with less issues being prominent. 2020 has seen the most turbulent political state with protests and instabilities in power across the country, however it is now much better.

Economic Situation:

Due to the COVID-19 situation, the world has seen a harsh decline in its economic states, including the US. According to the LA County (2020), Los Angeles has seen an all time high of 437,000 jobs lost due to COVID-19, younger workers, aged between 25-34, which are a large segment of Tranquil Water's main age segment, had the highest filling for unemployment in the area. While it is also estimated that around 20,000 Los Angeles residents became homeless (LA county, 2020). Unfortunately, according to the World Bank (2021), there is a massive uncertainty whether the economy will see a massive rise and return to normal or not. Although it is expected for first world economies to have contained the pandemic due to vaccinations being handed out by the end of the year, there is still a uncertainty on whether the economy will return to normal, and those who have lost their jobs and businesses who went bankrupt will return to their regular state before the pandemic or not (World Bank, 2021).

Social Situation:

Similar to the economic situation, the social situation has been severely impacted by the COVID-19 pandemic. The world has seen a shift to a more distanced approach, where sporting events have been upheld and academic bodies are still operating online to this day in order to abide by social distancing laws and avoid any increase in COVID cases. Furthermore, the world saw a quarantining period, where those who tested positive or have been in contact with anyone who tested positive for COVID are forced to quarantine for 14 days in order to ensure the virus does not spread. All these factors have seen businesses including the food and beverage industry face issues when trying to sell their products. A major segment of water purchasers are also health activists and try to always workout which is why they are always seeking the purchase of eco-friendly water bottles, due to the closure of many gyms and sporting bodies, this has become less of a necessity for consumers. Los Angeles are starting to slowly reopen everything after the second wave of the pandemic has led for more shutdowns this year.

Technological Factors:

The recent surge of the digital age has made it easier for brands to market their products. Social media is becoming the number one marketing source for any brand whether new or already existing. Social media marketing and content marketing are becoming an increasingly important segment of any marketing strategy. This is mainly due to millennials and Gen-Z (our main demographic) having access to very technologically advanced such as the iPhone and are able to constantly have access to social media at any time. Furthermore, new technology has created for a more sustainable and efficient way of growing plants for plastic. This includes such as condition enhancement and climate changing for plants to have the optimum growth rate.

Legal Factors:

Currently, there are no laws within the United States that apply to biodegradable plastics and plant based plastics, therefore, there are no governmental or legal regulations that should be followed aside from regular FDA regulations. These regular FDA regulations are having the water pass through different tests to ensure it does not surpass a certain level of contamination (Posnick, 2016).

Environmental Factors:

The environmental levels in the United States, more specifically Los Angeles, are sub optimal, there are many issues environmentally that exist currently. According to Butler (2017), Los Angeles is the most polluted state in the United States as it consistently fails to meet federal standards for air quality. Moreover, rising sea levels are becoming more and more of a threat, and since Los Angeles has a massive coastline, this could equal storm surges or even floods (Butler, 2017). Finally, a worldwide phenomenon that is impacting the whole world, is climate change, more specifically, global warming. Global warming has become a growing issue that is now at a point that poses a threat where humanity is at stake, an indicator of global warming is July 2021 being recorded as the hottest month in history.

Marketing Efforts:

Firstly a content plan for the marketing efforts of the brand will be the key to reaching our target market effectively..

A consistent content plan across all platforms plan would help showcase that the organization is active. Therefore, the complete utilization of social media sites alongside the website will be of the utmost importance, and will be the main factor in marketing the service. Furthermore, to

further utilize those platforms, use of popular hashtags respectful to the industry will help posts reach more people, also interacting with those commenting and replying to them will help gain a following, and a potential customer. Tranquil Water's target audience will lie within Instagram and Twitter mainly, as our age group segment uses these 2 platforms the most. However, use of Facebook as well will help raise brand awareness. The content plan should be consistent across all platforms. The content plan should include:

- Daily posts regarding trends and tips regarding the importance of water and how important it is to be environmentally aware.
- Bi-Weekly (Twice a week) promotions of offers and general promotion about the service you offer. Also campaigning when suitable during environmental events occurring worldwide.

Use of email marketing will also have the ability to reach the highest amount of consumers possible. It is projected for email users to reach an all-time high of 4.3 billion in 2023, which is more than half the projected population by that time. Email marketing is a for sure way to approach the most amount of customers with the highest ROI. It is estimated for businesses across the world that for every \$1 invested in email marketing there is a \$42 ROI, which is the highest out of any other channel. Email marketing also has the benefit of synergizing with other channels easily such as social media and content marketing where they can be both be promoted via email. Asking consumer to subscribe to a company newsletter can be an easy way to gain emails. A strategy for a successful and efficient email marketing plan will start with a lead magnet. A lead magnet is a free offer of any sort of service, could include a weekly newsletter or premium access to a blog providing travel tips and information, these "free" services will be in return for the consumers' email addresses. Tranquil Water will then have direct access and

pathway to share content and information with their consumers about their brand through email, which in turn equals lead generation and customers which then can be easily retained through personalized emails. Personalized emails have a 51% open rate higher than any other regular email sent from the brand, therefore, segmenting consumers will be the next part of the email marketing strategy. Furthermore, email marketing will be made easier with the use of email distribution websites such as Mailchimp, which will cost \$20 per 2500 subscribers to the email and will also send automated emails, which creates value for the Tranquil Water brand. The email marketing strategy in conclusion, will be to create lead magnets such as premium access to the blog in exchange for an email address.

Email Marketing will help in building a CRM (Customer Relationship Management) database. Gaining information of customers and storing them in a database, will help build customer loyalty. Access to consumers and their purchases will help provide personalized offers for them and create loyalty packages in order to ensure they return.

Furthermore, creating a blog will be very important. Aside from social media marketing and its content, creation of a blog alongside will help provide additional content for the brand to share its expertise on topics within their field. As according to research, high quality content is an excellent form of demonstrating expertise. Utilizing specific keywords, will create more leads to the blog and therefore the website. Blog posts can include content such as raising environmental awareness and educating consumers about sustainability.

The PR campaign that should be utilized in order to fix Ms. Leono's comments is to first issue an apology regarding her statement across all platforms, furthermore, the brand will also include in the same statement a rebuttal towards the argument of consuming more water stating the numbers of water usage and how they are aiming to use less water by using more friendly

substitutes such as spring water. It will also be incorporated within the content plan that the brand is contributing to environmental events with donations towards different charities such as local water services and/or plastic disposal communities.

Slogan and Logo design colors:

The slogan that Tranquil Water will use is:

“More Happiness. More Life”. This slogan will play around consumers’ emotions regarding happiness when aiding the environment and also more life regarding the environment’s health and also consumers’ health, because drinking water is a very important part of our human function.

The logo colors will be light blue and green, both are indicative of what the brand stands for in having a green environment that is prospering and a light blue indicating of a calm feeling when you consume Tranquil Water.

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