





# **COVER PAGE AND DECLARATION**

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EIU Paris City Campus
Address: 59 Rue Lamarck, 75018 Paris, France | Tel: +33 144 857 317 | Mobile/WhatsApp: +33607591197 | Email: paris@eiu.ac

# **Table of Contents**

Introduction	2
Overview target market	3
PESTLE analysis	4
SWOT analysis	5
Competitive analysis (Porter's 5 Forces)	5
Suggestion strategies	6
The marketing proposal	
Slogan & logo	7
STP marketing process	7
The marketing mix (4Ps)	
Social media PR campaign	9
Conclusion	1
References	13

#### Introduction

Water is life, and Life Water is a multibillion-dollar bottled water firm dealing in the most valuable commodity on the planet. The company relaunched their elite brand "Tranquil Waters" with a new bottle made of bioplastic because resource sustainability is a major concern. The company has invested \$5 million to become more environmentally friendly, but it is facing challenges after being accused of wasting a lot of water during California's drought. Miss Leono, the factory manager, added to the confusion by posting remarks on her social media page in response to the allegations.

The primary purpose of this study is to assist Life Water in rebranding itself as a greener corporation that is concerned about environmental issues. In this case, I conducted an industry analysis of the bottled water business, which revealed an increase in demand for bottled waters, owing to the urgent need for clean drinkable water caused by the Covid-19 Pandemic. Not only did Covid-19 increase demand, but it also caused a global economic downturn.

As a result, I suggested lowering costs by building a bottle-making plant. As a result, the company becomes its own supplier, which will aid the company in weakening the influence of its supplier, lowering manufacturing costs, and making offers on its goods, especially given that the majority of consumers are currently experiencing economic hardship.

According to the PESTLE analysis, SWOT analysis, and competition analysis, the organization has a unique geographical location close to water resources and prosperous areas of California. Furthermore, Life Water has a competitive edge that is in high demand these days: the usage of bioplastic. Bioplastic is a biodegradable substance that aids in the conservation of natural resources and the reduction of trash.

I build on the marketing objectives based on the case scenario and the company's concern for environmental issues, as well as the crucial condition the company is currently in. After that, I divided the market into regional and demographic segments, focusing on the South, West, and North of California, as well as Silicon Valley and San Diego.

Our target market will be the middle and upper classes, particularly those who are environmentally conscious. The company's primary objective, however, is to transmit the notion that the environment should be considered in every aspect of every stage, from manufacture to sale, and even after sale.

As a result, I created a logo that depicts the water's long-term viability and closes the loop. The phrase further underlines this care, demonstrating Life Water's ongoing desire to provide divine quality to its customers.

Market penetration in South, West, and North California, product development employing bioplastic bottles, and focus on the community's elite, particularly the environmentally conscious, are the

strategies I recommend for achieving goals. Nonetheless, the marketing mix of product pricing, location, and promotion was determined in part based on competitor analysis. In fact, the public relations issue presents an opportunity to regain customer trust.

As a result, a well-thought-out communication strategy is the best method to promote the company's greener intentions while also managing the fallout from Miss Leono's remarks. We can have good PR by sponsoring environmental conferences, donating 5% of income to help water treatment initiatives, and establishing a dedicated social media staff. Similarly, effective advertising is critical to success.

I recommended using radio commercials, sponsored social media ads, and billboards & Transit.

Due to the necessity for a promotion mix, public relations, and advertising, the budget will be divided. Finally, gaining market share, having a positive public image, boosting demand, and having a well-known brand are all markers of the plan's success (Park, 2020).

## Overview target market

The bottled water industry has seen significant expansion in recent years as a result of a variety of factors. To begin with, consumer awareness of ailments caused by contaminated water has increased dramatically. Second, because bottled water is portable and convenient, the trend toward a certain lifestyle has increased demand for it. Furthermore, individuals nowadays are increasingly concerned with remaining fit and healthy, and nothing may help them achieve this goal better than drinking pure water to meet their hydration demands.

The worldwide market is divided into two categories: kind and geography. Still Water (two-thirds of the overall market share), Carbonated Water, and Flavored Water are the most well-known forms of bottled water. Geography, the market is examined across North America, Europe, and Asia-Pacific.

The United States is the world's second-largest bottled water consumer market. Bottled water consumption climbed by 5.8% in 2018 to 14 billion gallons, with the average American drinking 41.9 gallons of bottled water per year. By 2025, the global market for bottled water is expected to reach US\$307.6 billion, driven by the growing demand to quench the thirst of a growing global population. By 2050, the world's population will have risen from 7.8 billion in 2019 to nearly 9.8 billion. There will be a comparable increase in demand for clean drinking water as a result of this growth.

California is the third-largest state in the United States. Despite its continuous drought issues, California has an infrastructure capable of transferring and moving water to even the most isolated locations. It has canals, pumps, massive dams, mountain range tunnels, and pipes that cross them.

Furthermore, the total amount of water utilized for bottled water in California is 3.09 billion gallons per year (Fosher, 2018) (Phadermrod, Crowder, & Wills, 2019).

In summary, market research indicates that demand for all varieties of bottled water, particularly Still Water, is expanding. However, there is a worldwide trend toward conserving natural resources and recycling containers. As a result, I agreed the company's choice to become more environmentally conscious and to employ bioplastic containers in its premium product range.

#### **PESTLE** analysis

**Political factors:** California is a democratic state with a liberal population. It became a popular investment destination for big economies, owing to the government's numerous investment incentives.

**Economic factors:** California is the world's fifth largest economy, GDP \$3.1 trillion in 2019. The GDP growth rate is 2.6 percent, and the unemployment rate is 3.9 percent in 2020. California has a thriving economy that supports job creation and investment.

**Social factors:** California's population is about 4,015,940; Los Angeles is the most populous city in California. The rate of growth is 0.32 percent. Los Angeles is a very diverse city, with residents hailing from over 140 countries and speaking 224 different languages. Los Angeles is a multicultural city. White people account for 55.17 percent of bachelor's degree holders. The average annual salary is \$34,681.

**Technological factors:** California's Silicon Valley contributed to the region's technical development. Many of the world's leading high-tech businesses now call the area home.

Legal factors: The FDA regulates bottled waters to ensure that they fulfill safety standards. Bottled water is governed not just by FDA regulations, but also by the Federal Food, Drug, and Cosmetic Act, as well as federal and state regulations. "Plastic bags and bottles cannot be branded as compostable unless they fulfill particular standards, and they are legally barred from being marketed as biodegradable under current state legislation to protect consumers from false environmental advertising." Bioplastic can be created entirely or partially from sustainable biomass sources like sugarcane and corn, as well as microbes like yeast. Under the correct circumstances, some bioplastic are biodegradable or even compostable. Bioplastic manufactured from renewable resources can be spontaneously recycled by biological processes, reducing fossil fuel consumption and conserving the environment. As a result, bioplastic are long-lasting, mostly biodegradable, and biocompatible.

Bioplastic are now used in a variety of industrial applications, including food and water packaging.

**Environmental factors:** California has been in a drought for the past four years. California is in the forefront of efforts to reduce global warming pollution. By 2030, the state intends to cut climate pollution by 40%. For water investment, Los Angeles is at a unique geographical location.

#### **SWOT** analysis

Strengths	Opportunities	
large budget	Increasing consumers of mineral water,	
bioplastic bottles	especially after a pandemic Covid-19	
• greener company	Increasing the health awareness of the	
geographic location	community and avoiding polluted water	
	Consumers' concern for health	
Weaknesses	Threats	
<ul> <li>public relations tension</li> </ul>	The latest political issues in the world	
Accusation of excessive water	<ul> <li>environmental issues</li> </ul>	
consumption		

## **Competitive analysis (Porter's 5 Forces)**

#### 1- Competition in the industry

PepsiCo, Nestle, and The Coca-Cola Company are all prominent players in the bottled water sector.

PepsiCo Inc. sought to join the bottled water business in 1987 but was unsuccessful until 1997, when Aquafina was debuted. Nestle Waters bought Perrier in 1992 and became the world's largest bottled water company. The Coca-Cola Company is the final significant competitor in the bottled water sector. The Coca-Cola Company didn't enter the market with Dasani until 1999. Nestle had the greatest market share in the United States accounting for 30.5 percent. PepsiCo came in second with a market share of 13.8 percent. Finally, The Coca-Cola Company held 11.9 percent of the total market share in the United States.

#### 2- Potential of new entrants into the industry

New entrants may find it difficult to compete with established, global businesses since brand names are so essential in this market. New entrants may find it difficult to convince major retailers for shelf space because brand names are so significant. But the high market's growth in the last five years could stimulate new entrants.

#### 3- Threat of substitute products

The only substitute for bottled water is tap water

# **4- Power of suppliers**

Factors affecting suppliers: geographical locations, availability of water sources, quality of raw materials, standards for mineral water to be free of pollution and containing certain percentages of elements, and storage costs.

#### 5- Power of customers

Factors affecting consumers: brand, quality, and cost.

#### **Suggestion strategies**

- In addition to the elite line bioplastic bottles, we should use the large funding we have to construct a facility for manufacturing bottles made of recyclable materials. This technique will cut production costs by weakening the supplier's power.
- Because the company is close to water resources and targeted markets, leverage the geographical advantage to cut costs.
- Deal with California's most powerful distributors.
- To beat opponents, take advantage of our substantial competitive advantage (the utilization of bioplastic).
- To accommodate the rising demand caused by the Covid-19 outbreak, increase manufacturing.
- Reduce production costs so that we may make offers and promotions, as most consumers are suffering financially as a result of the Covid-19 pandemic.
- Set aside a percentage of the proceeds to fund government water treatment plant projects and initiatives that aid in the provision of safe drinking water and sanitation in poor countries.
- Launch a public awareness campaign emphasizing the value of bottled water and the usage of bioplastic bottles for health and community, as well as promoting Life Water as a more environmentally friendly firm.

## The marketing proposal

#### **Objectives**

 Within two years, implement backward integration strategy and building a bottle manufacturing plant in California, also do product development and using bioplastic packaging. • Within three years, penetration the market in California, increase the number of distributors, expand into more US states, be a well-known brand, and gaining a significant market share.

## Slogan & logo

Before thinking about designing the logo for the company, it must express the company's competitive advantages and that it provides pure water, uses bioplastic, and does not cause any pollution to the environment.

**Slogan** (Natural, pure and healthy)

#### Logo



#### **STP** marketing process

**Segmentation:** The state of California is divided into six distinct regions: North California's, Central Valley, West California, California's South Coast, Silicon Valley, and Jefferson.

Los Angeles is the most densely populated cities in California. It is located in West California and its residents enjoy a great standard of living. San Diego, located in South California, is the second most populous city. California can be classified into three parts or living statuses based on median household income: high, medium, and low income.

**Targeting:** can be divided into three categories:

- Undifferentiated Targeting: This type of targeting focuses on the entire market with the same product.
- Differentiated Targeting: This type of targeting focuses on each segment with a unique product.
- Concentrated Targeting: a marketing strategy that focuses on a single target segment.

We will target West California, Silicon Valley, North California, and South California after segmenting the California market based on regional and demographic data. Because of the high quality of life in these areas, I propose using Concentrated Targeting with the elite line tranquil water.

**Positioning:** Tranquil Water is aimed towards the middle and upper classes, particularly those who are environmentally conscious. When the name Tranquil Waters is used, it should conjure up images of resource sustainability, spiritual tranquility, and world peace.

Unlike plastic bottles, which are typically manufactured of fossil fuels and accumulate and fill the Earth with rubbish rather than being reused or decomposed in nature, Bioplastic bottles are typically constructed of organic materials that are easily degraded in nature. As a result, there will be more sustainable resources and less negative environmental impact. It takes around 80 days for it to decay and return to nature. There are several varieties of bioplastic, but starch-based bioplastic are the most suitable for bottle production because, when combined with biodegradable polyester, they generate the highly effective polylactic acid (PLA), which is both water-resistant and environmentally beneficial.

#### The marketing mix (4Ps)

**Product:** Tranquil Waters is in the development stage of the product life cycle. We intend to catapult it to the top of the heap by focusing on a large market share with a low profit margin at first. According to the size we may have different types: 250 ml, 500 ml, litre, and a gallon.

The products will be packaged in environmentally friendly; biodegradable packaging. The bottle will be composed of bioplastic, which will disintegrate in the environment after use. Furthermore, the boxes will be wrapped in the following manner: the 250 ml, 500 ml, and 1 litre bottle boxes will contain 6, 12, or 24 bottles, and will be packaged with biodegradable plastic materials with the logo and slogan inscribed on them, Placing large bottles (1 gallon and five gallons) in a biodegradable bag to protect the products from damage factors during storage.

**Price:** the suggested price strategies

Penetration price strategy: we can decrease the price than the competitors for penetrate and stay on the market. Also, we can make offers on different product sizes.

Product-Quality Leadership: Because the product is with high quality and a competitive feature (bioplastic), it needs to be treated as such the competitor prices.

The prices of products are: 1 \$ for 250 ml bottle, 1.5\$ for 500 ml bottle, 3\$ for 1 litre bottle, 10 \$ for gallon, 45 \$ for 5 gallons.

**Place:** The location is determined by the market segments we are targeting. We target the middle and upper classes, particularly those who are concerned about environmental issues, with our peaceful waters. Universities, train stations, airports, large corporations, malls, cafes, restaurants, supermarkets, small markets, and beverage factories that require water in the manufacturing process are all ideal locations for achieving our goal.

**Promotion:** distributing product samples at colleges, environmental conference halls, graduation parties, airports, Goldfields, and others. Use offers like 3 bottle package of different sizes with a price of two bottles, discounts and gifts such as coupons and vouchers on the bottles. Create social media PR campaign that promotes Life Water as a greener company (Stevens, Loudon, Wrenn, & Warren, 2021).

# Social media PR campaign

Life Water was to provide safe, natural, and pure drinking water. Being natural and organic has always been vital to the brand, and despite being a multibillion-dollar water bottling firm, Life Water has taken attempts to be as environmentally responsible as possible over the years. The brand emphasizes the need of protecting nature, which provides us with water, an important component for living, and ensuring that everyone has access to it. With this in mind, the company has developed an exceptional product line called Tranquil Water, which is water provided in bioplastic bottles. Bottled waters are popular among consumers because of their good taste, safety, convenience, and quality. All of these elements are present in our goods, with the addition of a highly competitive feature which is the usage of bioplastic. As a result of Miss Leono's comments and the accusation of wasting a lot of water during California's drought, the company's public image must be repositioned as a more environmentally friendly company. As the public face of our company, social media should be handled with care. We should emphasize the facts regarding the bottled water industry in general, as well as our environmentally friendly company in particular. During natural disasters, bottled water is a safe haven that meets the community's need for safe drinking water. Bottled water, as an enterprise that is called upon year after year to meet such an urgent need, should be viewed as a hero in the eyes of the community. As a result, environmental conferences, social events, and other chances should be taken advantage of in order to achieve this and project a heroic image.

## - The PR campaign objectives

Promote Life Water as a greener company

Increasing knowledge of the company's goals to the public and providing natural products that do not pollute the environment

Improving the company's reputation and increasing the number of consumers

Increase the marketing of the company's products

# - The target audience

Residents of California and its neighboring cities with high and medium social level who are using Tranquil Waters

#### - The budget

Use objective and task method to determine the PR campaign budget, we will spend 20% of the profits on the PR campaign

# - The communication program

We use the steady method in our advertising campaign and do the following:

Billboards and Transit

Recycling Bins in the main streets with the product's logo and slogan typed on them.

Creating TV and radio commercials

Paid advertisements on Instagram, Facebook, YouTube, and others social sites

Create social media experts who will be in charge of growing our social media presence and following. They will focus on the locations where our customers can be found.

Participating in ecologically friendly events as a sponsor

Because customer trust is a vital aspect in success, we can reach out to influencers - people who consumers trust - to talk about our product and demonstrate how bioplastic bottles degrade through their daily lives

Because actions speak louder than words, our participation in water purification projects should be highlighted by the social media with special care.

## - The response evaluation

After 3 months from our PR campaign we do a pre-testing to ensure that the target audience receives the message in the way it is intended and do post-testing (surveys) to measure the change in attitudes towards our products.

#### - Controlling and monitoring

We provide high quality products according to the international standards to meet the customer needs and achieve customer satisfaction.

#### 1- Establish performance standards (KPIs)

The following will be signs of our marketing plan's success:

An increase in demand

Good public relations

Becoming a well-known brand

An increase in market share

#### 2- Specify data requirements

Measure the customer satisfaction with the products

## 3- Establish data collection system

We use customer satisfaction surveys at social media sites and product distribution locations

#### 4- Analyze and monitor marketing activities

We use marketing audit periodically to measure the market activity and to ensure that it is responsive to market needs and performances.

## 5- Adjust strategy and tactics

Evaluate the company's position in the market compared to competitors

#### Conclusion

Finally, water is the healthiest beverage and the most important source of life. Understanding its significance is crucial to its preservation. Water bottling has become a very profitable company as a result of mankind's constant need to make things easier and more accessible. Bottled waters were first sold in pharmacies and clinics as a type of medical therapy. Later on, it became widely available in supermarkets, shops, and restaurants, among other places. Life Water is a multibillion-dollar water bottling company that has shown its retail success, but it is facing some challenges due to allegations that it is wasting too much water amid California's current drought. Furthermore, the company is going through a difficult period following Ms. Leono's comment on her personal social media page, which drew conflicting views. Life Water is one of the major companies that appreciates water and strives to protect natural resources' long-term viability. Accusations and detractors should not deter the company's efforts. The entire community bears responsibility and should work together to ensure the Earth's long-term viability. A smart marketing strategy can save Life Water's reputation while also ensuring its success and profitability. A well-organized marketing strategy should always begin with a market, nation, consumer, and product situational analysis. Through this assignment, we illustrated the marketing plan that the company must carry out to have a presence among the competing companies in the manufacture of mineral.

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