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COVER PAGE AND DECLARATION

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Executive Summary:

Lifewater™ is offering an opportunity to provide a solution to the environmental situation of Los Angeles and creating a strong comeback to the market by launching the new product of bioplastic water bottles which are the new big thing in the water bottling production and help stopping the plastic pollution of the beaches and oceans.

By creating a strong promotional plan and wide distribution channels including setting up vending machines across the city and train stations and airports to ensure the availability of tranquil water and show how much Lifewater™ cares about making our community better and healthier.

Introduction:

Since Los Angeles is Confronted by devastating wildfires, parching drought and ever-hotter summers, Los Angeles is launching an ambitious plan to combat climate change by becoming the first major U.S. city run entirely on clean energy. (1) Using the bioplastic technology is highly profitable and would make sense at the mean time since Los Angeles is aiming to be first major carbon-free U.S. city. No more disposable bottles, lifewater™ would like to present the idea of creating an ecosystem, by distributing water dispensing machines in nearby parks and all over the city selling non-wastable bioplastic reusable bottles.

By paying extra fees of 5\$ you'll be able to contribute and help making the ocean clean as that donation will go straight to cleaning beaches and funding volunteers and the trash picking robots which helps fishing out trash from the oceans or getting fill that bioplastic bottle from any of the machines available in town which are marked by location through the Tranquil Water™ application available on IOS and Android.

Vision

To create, develop an eco-system and provide effective, and reliable water source inspiring the creation of good habits to sustain the natural environment.

Situational Analysis:**Product/Service:**

Traditional plastic is made from petroleum-based raw materials. Some say bioplastics—made from 20 percent or more of renewable materials—could be the solution to plastic pollution. The often-cited advantages of bioplastic are reduced use of fossil fuel resources, a smaller carbon footprint, and faster decomposition. Bioplastic is also less toxic and does not contain bisphenol A (BPA), a hormone disrupter that is often found in traditional plastics. (2)

Selling Proposition:

By using the Von Restorff effect (The total-time hypothesis) which suggests that isolated items are rehearsed for a longer time in working memory compared to non-isolated items. Another approach offers that subject could consider the isolated items to be in their own special category

in a free-recall task, making them easier to recollect. A separate explanation is based upon the analysis of the deep processing of similarities and differences among the items. Debate surrounds whether perceptual salience and differential attention are necessary to produce this effect. Modern theory holds that the contextual incongruity of the isolate is what leads to the differential attention to this item. Based on this assumption, an isolation effect would not be expected if the isolated item were presented prior to some consistent context, a theory that goes against von Restorff's findings.[3] which basically means to stand off like a sore thumb should grantee a strong market penetration, using the bright colors in the logo, including a pixelated picture of a bunny hopping in the ads plan should imprint that when people see a rabbit, they think Lifewater™ and that would strengthen the ecofriendly message we stand by.

Marketing Objectives and Performance:

- Reduce percentage of lost deals/sales.
- Improve awareness and demand around new products.
- Retain ROI by 15% in the 6 months of launching
- Target new customers
- Gain publicity and becoming the leading company in the ecofriendly community

Challenges:

Just about now the company is facing some backlash regarding the drought of LA and the Ms. Leono CEO harsh comment which the community took it hard.

Competitor Analysis:

A close study of the bottled water production industry reveals that the market has become much more intensely competitive over the last decade. As a matter of fact, you have to be highly creative, customer centric and proactive if you must survive in this industry.

The only threat at the moment is EcoWater which is one of the world's largest manufacturers of water treatment systems and leads the industry with game-changing innovations and discovered the first known instances of water treatment date back to the early 1920s. their services includes home filter installation, that would tense up the competition because of the current drought situation.

We are aware of the stiffer competition and we are well prepared to compete favorably with other bottled water production companies in Los Angeles and throughout the United States and Canada.

Lifewater™ is launching an ecofriendly bottled water brand that will indeed become the preferred choice of residence of Los Angeles and every city where our bottled water will be retailed.

Part of what is going to count as competitive advantage for Lifewater™ is the vast experience of our management team, we have people on board who are highly experienced and understands how to grow business from the scratch to becoming a national phenomenon, also, the wide varieties of bottled water in terms of flavor, packaging and size that we produce, our large national distribution network and of course our excellent customer service culture will definitely count as a strong strength for the business.

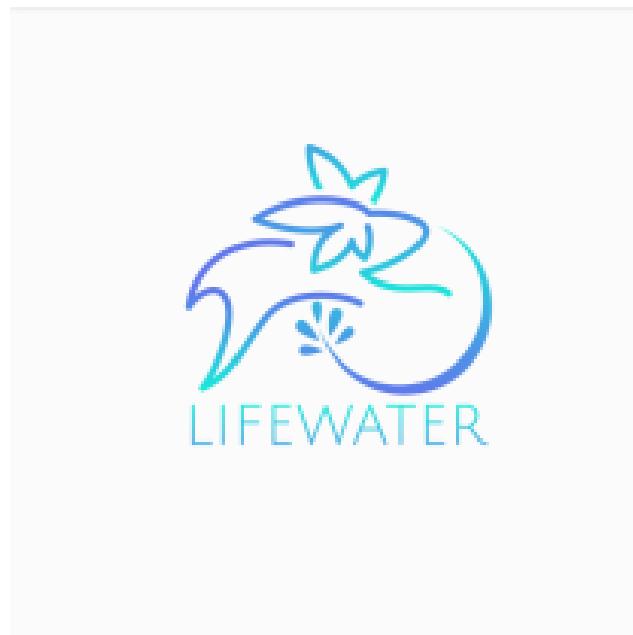


Figure (1): tranquil water Logo

SWOT

Strengths	Weaknesses
<ul style="list-style-type: none"> • High water purification technology Automatic Variable Filtration (AVF) technology • Leading company in the water purification industry • Holds well known reputation for supplying most of the production studios in LA • High skilled and well-trained staff • Leading company in introducing ecosystem available for the majority of LA population. 	<ul style="list-style-type: none"> • CEO comment that created backlash and withdraw in sells • LA current drought • Fewer people will embrace the idea of ecofriendly water bottles since, in their opinion; the uses of metal flasks is more convenient. • The corona virus financial crisis • Competitor developing a new technology in water purification
Opportunity	Threats
<ul style="list-style-type: none"> • Growth in the ecofriendly community and caring about the environment is becoming a trend • Low competition in the related field yet • The return of socializing and opening shopping malls, stadiums, parks etc • The wide depending on technology by the community 	<ul style="list-style-type: none"> • The current drought which may cause shortage of resources • Lack of working staff due to the cuts off during covid • Bioplastics isn't that sustainable to be reusable for a long period of time • The lower cost of the competition prices compared to high technology

Recommendation according to this research is to launch at cost price and host as much as educational ads and conferences to reach the costumer and strengthen the communication channels.

Target Market

The market we're trying to penetrate is a consumer market, targeting most high-class restaurants in Encinitas, Del Mar, Solana Beach, and set up booths in San Diego Zoo Safari Park which are all beach cities including the highest count for eco friendly's shops and spas such as SpaBlue, L'Auberge resort.

These businesses are always open to try the new big thing and the hottest technology in the field, so providing them with the bioplastic water bottles is a huge impact for their business. The plan is at first to send out wooden crates of the product to first test out, or display it the open area of that place. Should get people talking and encourage more people to try the product and see what the fuss is about.

The only withdraw is that is these places even refuse to give the product a chance for the lack of knowledge about the bioplastic bottles and the authenticity of it actually being eco-friendly.

Based on research, 64% of Americans are willing to pay more for sustainable products. According to the findings, 78 percent of people are more likely to purchase a product that is clearly labeled as environmentally friendly. Other detailed key finding shows 75% of Millennials between (21-30) are willing to pay more for an environmentally sustainable product, compared to 63% of Gen Z between 15-20) and 57% of Boomers (45 and up).[4]

Targeted customers are youngsters between (17-26) that are mainly college students attending the private University of Southern California and the California Institute of Technology including influencers and young adult with fixed income, and older people at high positions who are leading a healthier life style between the age of (42 – 65).

When it comes to catching attention for tranquil water is the phrase “go green, drink clean” emphasizing the main goals of environment stability which are:

- The importunacy of caring for the environment and to promote healthier environments to improve health
- Minimize raw material use.
- Minimize releases of air contaminants to the environment.

- Comply with all applicable environmental laws.
- Use recycled products where feasible.
- Stop purchasing chemicals that contain carcinogens.

And the challenges the environment community is facing including:

- Global warming due to CO2 emissions.
- Air pollution and water contamination.
- Pollution of the oceans, seas and inland waters.
- Slow energy transition and insufficient share of renewable energy.
- Uncompromising food production harms.

So by introducing the solution to one of these challenges would mean sits a step closer to achieving the main goal of clearing Los Angeles from pollution.

Marketing Objectives and Performance

- Achieve ROI by Q4 of 2022
- Achieve a 30% profit gain compared to one year ago
- Improve upon 2021 performance with 20% increment through new customers
- Revenue is the engine that drives our profitability
- Set specific targets for each quarter in 2022

Pricing Strategy

The best strategy to enter the market at the moment is using the penetration strategy by set a low price, mainly at cost price, in order to quickly gain a market share. Then after raise the prices.

Distribution Plan

When it comes to selling bottled water, there is indeed a wide range of available customers. In essence, our target market can't be restricted to just a group of people, but all those who resides in our target market locations.

In view of that, we have conducted our market research and we have ideas of what our target market would be expecting from us. We are in business to engage in wholesale distribution and to retail bottled water to the following groups of people;

- Hotels
- Restaurants and Canteens
- Event Planners, Parties and Corporate Functions
- Corporate Executives
- Government Officials
- Business People
- Celebrities
- Military Men and Women
- Sports Men and Women
- Students
- Tourists
- Everybody in our target market location

And by spreading vending machines across campuses and parks would create easy access for the tranquil bottles and available at any given time for everybody.

That will lead to having different storages across the city for easy and fast refill for the vending machines. Adding to that, providing ecofriendly restaurants with tranquil water to avoid serving tap water.

Promotional Plan

our publicity and advertising strategy is not solely for selling our products but to also effectively communicate our brand. Here are the platforms we intend leveraging on to promote and advertise Sparkles® Bottled Water Production Company;

- Place adverts on both print (community-based newspapers and magazines) and electronic media platforms
- Sponsor relevant community programs
- Leverage on the internet and social media platforms like; Instagram, Facebook, twitter, to promote our bottled water brand
- Install our Bill Boards on strategic locations all around major cities in the United States of America and Canada
- Engage in road show from time to time in targeted communities
- Distribute our fliers and handbills in target areas
- Position our Flexi Banners at strategic positions in the location where we intend getting customers to start patronizing our products.
- Ensure that our bottled water is well branded and that all our staff members wear our customized clothes, and all our official cars and distribution vans are customized and well branded.

Budgeting

- Legal expenses for obtaining licenses and permits as well as the accounting services (software, vending machines and other software) – **\$1,300.**
- Marketing promotion expenses for the grand opening of tranquil Water in the amount of \$5000 and as well as flyer printing (5,000 flyers at \$0.05 per copy) for the total amount of – \$5,250.
- Insurance (general liability, workers' compensation and property casualty) coverage at a total premium – **\$2,400.**
- Cost for payment of rent for 12 months at \$1.76 per square feet in the total amount of **\$105,600.**
- Cost for construction of a standard bottled water production plant – **\$100,000.**

- Other start-up expenses including stationery and phone and utility deposits (**\$3,500**).
- Operational cost for the first 3 months (salaries of employees, payments of bills) – **\$300,000**
- The cost for inventory (raw materials, bottles and packaging materials) – **\$90,000**
- Storage hardware (bins, rack, shelves, food case) – **\$4,720**
- The cost for counter area equipment (counter top, sink, ice machine, etc.) – **\$9,500**
- Cost for water purifying, bottling and packaging equipment – \$150,000
- Cost for store equipment (cash register, security, ventilation) – **\$15,000**
- Cost of purchase of distribution vans – **\$110,000**
- The cost for the purchase of furniture and gadgets (Computers, Printers, Telephone, Fax Machines, tables and chairs) – **\$4,000**.
- The cost of Launching a website – **\$600**
- The cost for the launching party – **\$15,000**
- Miscellaneous – **\$10,000**

We would need an estimate of **\$1,100,000** to successfully set up our bottled water production plant in Los Angeles.

References

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- (2) The Truth About Bioplastics, RENEE CHO ,DE CEMBER 13, 2017
- (3) "The subtlety of distinctiveness: What von Restorff really did", Hunt, R. Reed (1995).
- (4) Consumers prefer eco-friendly products, but don't know how to identify them, by Richard Carufel, Apr 8, 2021, Public Relations