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## COVER PAGE AND DECLARATION

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## Executive Summary

Life Water is a trademark and multimillion company that produced bottled water under different names life water and starting a new project to produce a brand new name called “Tranquil Water, the brand new using new technology in making plastic bottles, they will make the bottles from bioplastic materials that are friendly with the nature and doesn’t hurt the environment the company is allocating a budget of 5 million dollars in the new bioplastic project.

The Life water company was accused of consuming a large amount of water and dipping the crises of drought.

Ms. Leono’s statement received mixed reactions after Life Water’s plant manager, Zara Leono, said on her personal social media page: “The water bottling industry is not the one who uses the most water because all of the other beverages use more water to grown additional products that are needed to create their beverages. We just sell water.”

In this assignment, I tried to show the big picture to the local community so they Understand that the Life water new brand is not causing any extra draught it is contributing to the cleaning environment from the plastic that ends up in the ocean.

According to the STEPEL analysis, competitor’s analysis, and the SWOT analysis, the company enjoys a very special geographical location \_near the resources of water and the prospers parts of California. In addition, Life Water has a competitive advantage that is highly needed nowadays which is the use of bioplastic. Bioplastic is a degradable material that helps save the natural resources and reduce the waste.

## Introduction

Water is one of the few items that we can not survive without, it is essential for living for all Creatures on Earth plant. The required amount of water per person depends on many factors like age, sex and activity level. There is no one-size-fits-all formula. However, knowing more about your body's fluid needs can help you assess how much water you should drink each day.

Water is the main chemical component of your body, and makes up between 50 and 70 percent of your body weight. The body needs water to survive. Every cell, tissue, and organ in the body needs water to function properly. For example, water works on:

- Elimination of waste through urination, sweating, and defecation.
- Maintain normal body temperature.
- Softening and cushioning the joints.
- Protect sensitive tissue.

Mineral water comes from natural aquifers, which gives it a higher mineral content than tap water. According to the US Food and Drug Administration (FDA), mineral water must contain at least 250 parts per million of total dissolved solids. The US Food and Drug Administration bans water bottlers from adding minerals to their products. Minerals, often found in mineral water, include calcium, magnesium, potassium, sodium, iron, and zinc.

### Situational analysis

#### A- Industrial analysis

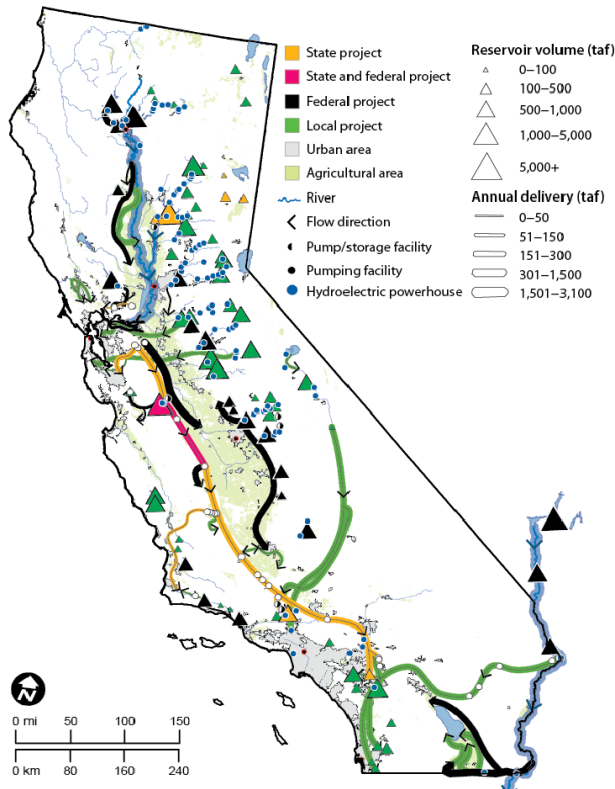
The presence of bottled water in grocery stores has become so obvious and natural that it no longer raises any question in the mind of the shopper, knowing that the question posed by these plastic bottles that are sold at cheap prices is greater and more dangerous than the simplicity of their appearance: How can water be sold while it is common to all from Springs to countless rivers?

Bottled water may seem so cheap compared to other food commodities that many people don't even count it. But the reality is that today it is the preserve of the lucky ones who can access it and pay for it, according to the numbers of the United Nations bodies. Even though the water came from Nature for free, the companies just bottled it.

#### Major market trends – USA

The US bottled water industry is strongly influenced by consumer preference for pollution-free water with high health benefits. Driving the market are changing lifestyles, health concerns, ease of handling, and portability of bottled water. Moreover, consumers in the United States are beginning to develop an interest in drinks that offer benefits beyond simple refreshments, which also contribute to the expansion of the functional water market. Amid concerns about obesity and other health concerns in the country, the lack of functional water with calories and artificial ingredients is attracting conscientious consumers.

The USA is the second largest market for bottled water in the world. America consumes around 57 billion liters annually. California is one of the most important American states, it is the most populous and is characterized by a special nature and climate. Its economy ranks ninth in the world, and it is known for being the home of the most famous movie city in the world (Hollywood), which made it nicknamed the "Golden State".



Location: is located on the west coast of the United States and is bordered to the north by Oregon, to the northeast by Nevada, to the southeast by Arizona, to the south by the Mexican state of Baja California, and to the west by the Pacific Ocean. The annual quantity of water that is used in bottled water in California is 3.09 billion gallons only.

Los Angeles uses 3.4 billion gallons of Tap water per week, which means the bottled water industry consumption is only 0.017 percent which is nothing to mention.

According to the International bottle water association IBWA, the California bottled water industry pays 1.75 billion dollars in local taxes and USD 1.50 billion in Federal taxes.

The bolted water industry response to 230,000 jobs and the individuals getting around 10 billion dollars as Salaries has a 60 billion impact on Economics activities.

## B- Environment Analysis

### PESTEL Analysis for California

**Political Analysis for California:** California politically support the Democratic Party and the local government made many facilities for investors to come and invest in the state due to its important role in the technology sector. The local government is supporting green energy that has no bad effect on the environment like changing plastic to bioplastic and Fuel engine cars to Fully Electric Cars.

**Economic Analysis for California:** California is the 5<sup>th</sup> largest GDP in the USA if it was an independent country it would have been the fifth largest Economy in the world after Germany and the United Kingdom. It has many strong and development sectors like agriculture, Tourism, technology, entertainment, and Movies making and they are all growing fast.

**Social Analysis for California:** California is a tolerant and liberal state, it has a population of almost 40 million people with a 3 percent annual increase in population, the state is diverted and many people have Latin, Asia, and African roots. It has the Top universities in the USA and is the home to the famous Hollywood City which produces more than 40 % of US Movies.

**Technology Analysis for California:** California is the home of Silicon Valley Silicon Valley occupies an area in the southern part of the Bay of "San Francisco" in northern California and is home to a group of the most prominent global technology companies such as "Apple", "Cisco", "Microsoft", "Google", "Oracle" and others. Silicon Valley is named after a large number of silicon chip innovators and manufacturers, but eventually, it came to be symbolized as the region of all the high-tech companies in America.

**Environment Analysis for California:** The US state of California has banned fuel-powered cars and asked residents to conserve electricity, as part of its plan to eliminate the title of the most populous and polluted state in the United States and become zero-emissions by 2035. It has also been suffering from drought for many years and planning to reduce the effect of droughty issuing new rules and enhancing the people to reduce water spending on non-essential matters.

**Legal fact for California:** California passed a law that aims to dramatically reduce non-recyclable plastic packaging and polystyrene over the next 10 years, an effort that manufacturers themselves will be tasked with implementing and financing under the legislation.

The text, passed this week by California congressmen and endorsed by Governor Gavin Newsom, states that at least 30% of plastic packaging sold or used in the state must be recyclable by 2028, with the figure rising to at least 65% on January 1, 2032.

### SWOT Analysis

It is a tool of the quadruple analysis of the strategic analysis tools, and it is an analytical method that helps to determine the points of weakness and strength and to realize the quality of threats and the nature of the available opportunities affecting the establishments. The SWOT analysis is one of the important systems for preparing and designing strategies for the business sector; By presenting a set of plans, whether short or long-term, and the emergence and emergence of analysis

#### **Strength:**

\* Greener company, when the company invests in a new production line or a new brand that uses a bioplastic material it means that the company wants to participate in its role to reduce plastic pollution and create a better environment.

\* Bioplastics can solve plastic pollution problems. It contributes to achieving the goal of the “circular” economy of plastics, in which plastic is derived from biomass and converted back into it. Tranquil Water will be one of the first bottled water that uses this kind of technology, giving it an advantage over competitors.

\* Having a high budget for the new line which give the company a better condition to make the new line and use the last advanced equipment that will lead to maximizing production and minimizing the wastewater, especially, since the state already has a drought problem due to climate change.

\* Life water is already known and famous brand name not only in California but all around the world which will help in the marketing of their new product.

#### **Weakness**

\* The complicated general relationships especially after the statement of Ms. Leono received mixed reactions because the local community is afraid of such projects will lead to more drought.

\* Due to climate changes in recent years the local government is under more pressure from local organizations and environment protectors to stop any new projects related to using more water in a private business to earn more money.

### **Opportunities:**

\* Increasing demand for the new product because it is using new bottles which are bioplastic

That doesn't stay in the environment for 500 years like normal plastic it decomposes naturally in two to three months and can be recycled easily which can be used as a competitive advantage over the competitors.

\* using bioplastic will end up in plastic pollution in our bodies because normal plastic bottles contain tiny plastic particles that dissolve in water and ends up in our bodies and the plastic that is thrown into the oceans and eaten by fishes ends up in our bodies again.

\* the new legal requirements and ban on using plastic all over the world and in California state will be a good opportunity for the life water new line because it will be using bioplastic and greener technologies.

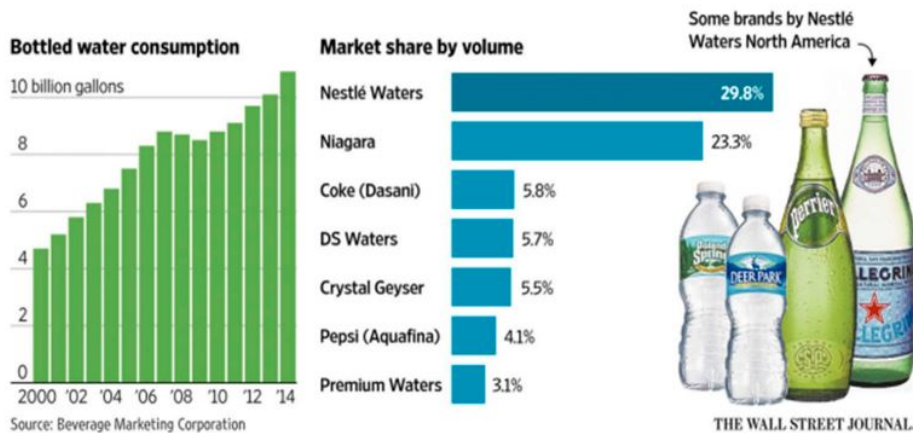
### **Threatens:**

1- Climate changes and drought: The drought wave that hit California in recent years has raised the voices of protestors and environmental organizations that call on stopping any business activities that are related to water consumption.

2- Legal fact: the current local government is ruled by the Democratic Party supports green energy and wants to get rid of plastic and petrol cars and replaced them with new greener technology. If the government is changed and ruled by another party, they may issue new rued and keep using the normal plastic in Industry.

### **Competitors analysis**





After reviewing the SWOT, PESTEL, and Competitors analysis, the following can be done to minimize the threats and take advantage of the available opportunities:

- 1- Using the high budget to establish a new factory that produces the bioplastic bottle for the **Tranquil** Water brand which will reduce the cost of production in the state of buying it from an external supplier,
- 2- Using nature water as rivers instate of drilling new wells which will reduce the cost.
- 3- Hiring a general public relationships company to help in the marketing process.
- 4- Having the ability to increase production, especially after the company gets a good market share in the short future.
- 5- Allocating a high percentage of the marketing expenses to encourage people to stop purchasing normal plastic bottles and purchasing bioplastic bottles.

### Marketing objectives:

- Spreading the company's brand, this is the main goal of e-marketing, because different e-marketing methods are used to spread the brand quickly and present it to the largest number of target customers
- Entering the USA market, one of the goals of e-marketing is to enable the company's products or services from the local market or to enter the global market, as well as competition between large and small companies.
- Increasing the company's profits. One of the most important reasons for conducting marketing activities (especially e-marketing activities) is to increase profits, especially in the short term.

- Attracting the largest number of customers, marketing activities attract many customers, which increases sales and increases profits, and this marketing method is considered one of the most effective ways to increase the number of customers because advertisements can attract them in several ways.
- Strengthening the relationship between the product owner and the customer, one of the most important things that the product owner needs to look for is the customer's trust in him and his product, and this is achieved through direct communication between them, which was done electronically by marketing in many ways.
- Reducing marketing costs, e-marketing differs from traditional marketing, where e-marketing can save a lot of money in marketing activities because it provides the ability to use marketing budgets better and more effectively.

### STP Analysis

The STP model consists of 3 basic steps, the aim of which is to reach the best segment to target in marketing, and how to provide products or services as appropriate for them. The STP model is an essential component in building the marketing strategy of any company, and its three principles of it cannot be neglected because of their impact on the correct targeting.

The three steps are:

#### 1- Segmentation:

##### Geographically:

- 1.1 Central California.
- 1.2 Great Basin.
- 1.3 North Coast.
- 1.4 Sacramento Valley.
- 1.5 Sacramento-San Joaquin River Delta.
- 1.6 San Francisco Bay Area.
- 1.7 Sierra Nevada.
- 1.8 Shasta Cascade.



Demographically: below are the top 10 cities by population:

California is a western state in the United States of America. It is bordered by Nevada to the north, Arizona to the east, the Pacific coast to the west, and Oregon to the south. The population of California is estimated at 38.9 million people, according to 2022 AD statistics. It is the most populous state in the United States with a total area of 163,696 square miles (423,970 square kilometers), and California ranks 11th in terms of population density and 3rd in terms of area.

The following are the top 10 cities in California and the distribution of people in California:

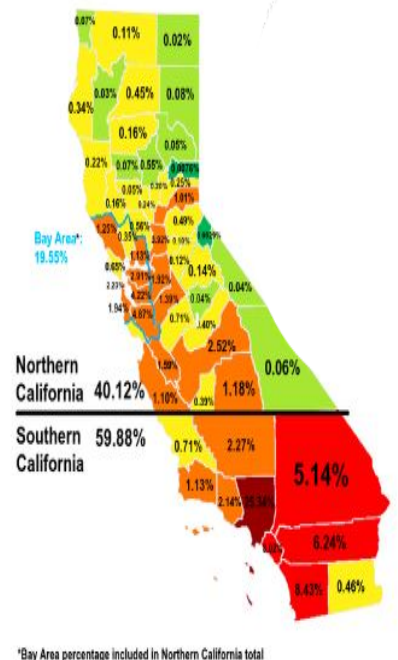
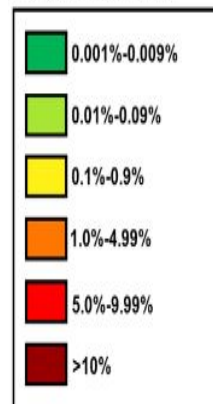
Rank	City	Population
1	Los Angeles	3,849,297
2	San Diego	1,381,611
3	San Jose	983,489
4	San Francisco	815,201
5	Fresno	544,510
6	Sacramento	525,041
7	Long Beach	456,062
8	Oakland	433,823
9	Bakersfield	407,615
10	Anaheim	345,940

We can see that around 60 percent of the 40 million people live in Southern California which is represent 30 percent only of the area of California which means less cost to distribute water and more income because of the density of the population.

## 2- Targeting

Marketing is the process of segmenting the market into

Population: 39,538,223



segments and then concentrating marketing efforts on one or a few key segments comprising customers whose needs and desires match products or service offerings. This can be the key to attracting new business, increasing sales, and achieving significant marketing success

The following are some of the targeting goals

\* Ensure that the product is sold repeatedly to the same consumer, this is achieved by saving the consumer's data, name, phone number, and place of residence.

\*Ensuring continuous communication with the consumer, which makes the selling process in most cases easier, easier and faster.

\*Marketing of new products, this database allows consumers to easily reach consumers when they start launching new products in the market, and to understand their views on the product and the positive and negative things they experience when using the product.

\*This method can provide to verify consumer acceptance of the product and make the necessary adjustments before putting the product on the market, which helps to save energy and ensure profit.

\*Provide a new way to distribute the product Through this method, the company can provide a faster, easier, and cheaper way to distribute products directly to consumers

### 3-Positioning:

When we say Tranquil water, we are talking about a new water brand that uses a new and greener technology that uses bioplastic materials to make the bottles, Unlike normal plastic bottles Tranquil bottle water and environment friendly and decompose in 3 months only without damaging the environment but the plastic bottle needs like 500 years to decompose and they are made of fossil oil that ends up in the ocean or burned.



Bioplastics are plastic polymeric materials, obtained from raw materials of biological origin, that is, from renewable natural sources, such as biomass of starch, cellulose, lactic acid, fats, and vegetable and animal proteins, among others.

The term bioplastics are used to distinguish these materials of biological origin, from petroleum plastics, which are made from petroleum derivatives.

Wade plastics are easily moldable materials that can deform without breaking into a wide or less wide range of conditions; That is why it is a material of great craftsmanship.

**Slogan:** The Water from nature and bioplastic is Nature

Tranquil water Logo



#### Marketing Strategy:

Many marketing strategies could be applied for marketing Tranquil Water and we will choose the Ansoff Marketing Matrix named after its creator Igor Ansoff in 1957, the Ansoff Matrix is also called a growth matrix.

It is a model used for strategic planning in marketing, its mission is to link the company's marketing strategy and its general strategic direction, to achieve future growth therefore, it focuses entirely on growth, by discovering the opportunity in the market to accelerate the growth of the company's business and increase its sales.

The Ansoff Matrix offers four alternative strategies for growth:

- 1- **Market Penetration:** This strategy means getting a larger market share by promoting selling more existing products or services to your existing customer base, through offers, discounts, and others. In all California cities
- 2- **Market Development:** This strategy depends on entering new markets to sell your existing products.
- 3- **Product Development:** This strategy involves developing your existing products to sell them in the same market, and to maintain or increase your market share. (Bioplastic Materials for bottle Producing)
- 4- **Diversification:** As for the diversification strategy, it differs slightly as it depends on developing new products for new markets and selling them to new customers, as well as increasing your sales with your existing customer base and acquisitions.

## Marketing Mix

In the wide world of marketing, there is the concept of “marketing mix”, Marketing Mix, which contains four elements, all of which start with the letter P, hence the other name for this marketing mix (4Ps), and these elements are: Product, Price, Place, and Promotion

**Products:** The first pillar of the marketing mix is the product or service, that is, what your company offers to its audience. But this pillar does not only talk about the product but also includes the value that it can bring or achieve to consumers and customers.

Ultimately, beyond the issue of quality, and with the best resources and technology, this product or service must be able to solve the problems faced by the consumer.

In tranquil water, the Bioplastic bottles will be in different sizes so a wide range of customers will be able to consume them. (250 ML, 500 ML, 750 ML, 1 L, 5 liters and 20 liters).

**Price:** The second pillar of the marketing mix is the price, and it is one of the important pillars that determine the extent of demand that the product will witness.

This pillar relates to the revenues and proceeds from the sale and the company's investment potential in the business. He is also responsible for the perception that potential customers will have of the product or service in the market. During the pricing process for the product, it is

important to set a price that secures your profit and, at the same time, is compatible with the purchasing power of customers

-USD 0.50 for the bottle of 250ml.

- USD 1.25 for the bottle of 500ml

- USD 2.30 for the bottles of 1 liter

- USD 10 for the bottles of 5 liters

- USD 40 for the 20 liters

**Place:** Place, performance sector, or market space, the third pillar of the marketing mix is the space or place, this pillar is responsible for how the potential customer or consumer reaches the products or the brand. That is, this pillar is directly related to the distribution and sales channels.

**4- Promotion:** product promotion means disseminating information about the product, product line, brand, and company to potential buyers with the intent of achieving sales and developing brand loyalty. The following should be provided

- 1- To provide information about the availability of product features and uses to potential buyers.
- 2- To stimulate the demand for a product by creating awareness and interest among customers.
- 3- To differentiate the product from the competitor's product by creating brand loyalty.
- 4- To stabilize sales by highlighting the importance of the product and its features.

**Public relations:** After Miss Leono's statement, the local community accused the life water company they using a lot of water while the state has a drought, the Public relations department needs to improve the new image of the life water company as it changes its product.

We need a campaign on social media due to their importance in reaching out to millions of people. Due to the great demand for electronic communication sites, which would include a large number of users, and due to the presence of many means on social networking sites that would help increase the percentage of marketing by publishing it as:

- 1- As a Facebook page or group or advertisement on different famous social media platforms.
- 2-A videos by sharing them from YouTube.

3- Taking into account the most advantage of the Tranquil brand which is the bioplastic materials that are Environment friendly and healthier and take only up to 3 months to decompose.

4- Hiring marketing specialists to do the marketing works on behalf of the company.

#### 8-Budget:

Any new product needs a big budget at the beginning but later the budget will get lower as the product becomes consumed by the customers.

The budget will be spent on the following

- Promotion mix
- Advertisement
- Public relations

#### 9- Control:

Control is the last step in our Marketing strategy, after applying all previous steps the company will get feedback from the market every week to see the customer's reaction to the new product and make the necessary adjustments if needed.

#### Conclusion:

Water is one of the only needs that we can't live without and we need it for many different activities in our lives, why that hundreds of companies selling water in bottles but the problem is the waste plastic that we get rid of after drinking the water it ends up in the oceans or burned which is so unhealthy for the environment and the companies like Life water starting to use Bioplastic bottles that are save for the environment and will lead to a better planet for the humans.

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