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## Table of Content

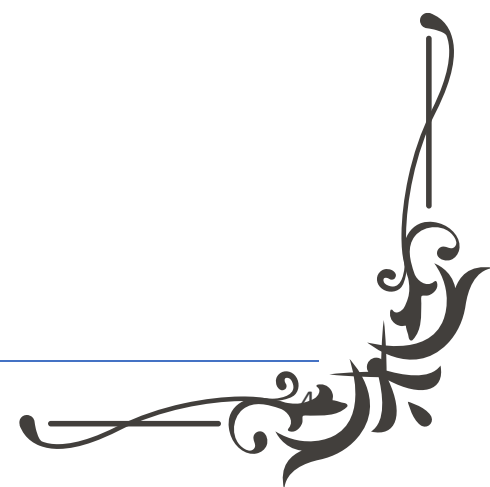
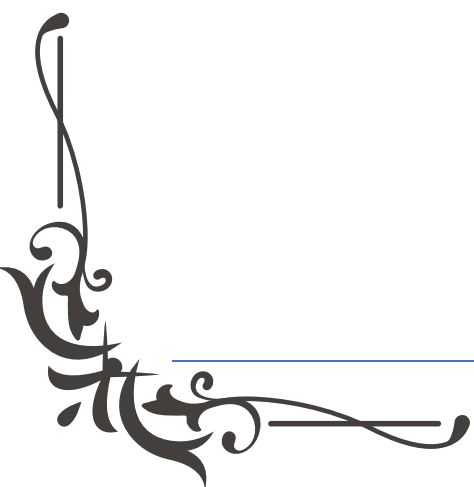
Content	Page Number
Title Page	4
The Executive Summary	5
The Situational Analysis and Target Market	6
SWOT Analysis	6
PESTLE Analysis	9
Marketing Objectives	12
Marketing Strategies	12
Segmentation Targeting Positioning (STP)	12
Target Markets	12
Positioning and Segmentation	13
Marketing Mix	14
Schedules and Budgets	17
Implementation and Controls	17
Social Media Public Relations Campaign	18
Conclusion	19
Tranquil Water Bottles new logo, design, and slogan	20
References	21



**Dina Shubair**

**Life Water**

**(Tranquil Water Bottle)**



## The Executive Summary

The world has a limited amount of water even though water covers almost two-thirds of the earth's surface, but most of it is too salty for drinking. Today, a shortage of drinkable water is a serious concern due to the drought situation in California and the whole climate change in the west. As a consequence of declining client's confidence in the safety and quality of municipal supplies, the demand of bottled drinking water has increased nearly 400% in the past decade.

Life water is a multi-million dollar bottling water company that was founded in 2013 which is located 150 kilometers outside of Los Angeles, California. The company's main purpose was always to provide people with safe and pure drinking water while maintaining their responsibility towards the environment by producing natural and organic products. There is a saying "life is the name of water" based on that the brand's focus is to protect nature where water is provided as the important element for living and make sure that everyone has access to it.

Meanwhile, the company has spent five million dollars to improve their brand image by creating a greener company by developing an extraordinary product line named Tranquil Water. Tranquil Water is a new bottle that is made from bioplastics that mainly eliminates the use of plastic, where it can be easily discarded after use. This is the first step into serving the company's purpose of becoming plastic-free company.

The company is planning to provide Tranquil Water in water bottles of three different sizes and designs while maintaining a high level of safety and proven bioplastics without compromising the quality of water. This kind of bottles was specially designed to fulfil the environment needs hence the consumers. Tranquil Water goal is to be one of the leading companies for plastic ban, by raising the awareness of the negative impacts of plastics on the environment and supporting the idea of a better and healthier environments that are plastic free. In hope of switching the brand's image into a more concerned company about both people and environment equally.



Tranquil Water Bottles new logo, design, and slogan.

## **The Situational Analysis and Target Market**

The analysis of Tranquil Water Bottles entails clear understanding of the main features which will be helpful to obtain better understanding of the reasons why these bottles were designed and developed. This includes but not limited to why and how it is designed and the purpose it serves for the company's target market. This analysis will also provide clear understanding of the consumers behaviour and attitude towards the company's product which will help to meet their needs and expectations. The main purpose is to design and incorporate outstanding features with reasonable prices that will meet their desires.

### **SWOT Analysis**

SWOT is a short form that stands for Strengths, Weaknesses, Opportunities, and Threats. Which is a technique used to evaluate the mentioned aspects in a business. The following SWOT analysis is made for Tranquil Water which will reveal the internal strengths and weaknesses in the company along with the external opportunities and threats for the company.

#### **Strengths:**

- **Brand name of the company:** Life Water is a multi-million dollar bottling water company and it is one of the well-known bottled water companies name in California, USA. In the USA, when people hear the word water the first name that comes to their minds is Life Water. The brand's name is one of the real strengths for the company.
- **One of the market leaders in USA:** Life Water is currently capturing 25% to 30% market share of the water industry.
- **Automated Machineries:** Life Water company and factory is completely automated and computerized. This feature will ensure the company's high quality unlike other companies who still partially operating manually.
- **Strong Distribution Channels:** Based on the previous information about Life Water company it shows that they have a great access to different distribution channels. Accordingly, it makes it very easy to the company to reach a massive number of consumers through these various channels.

- **ISO Certification for Quality:** ISO certification is a seal of approval which means that Life Water company is matching the required international standards which is published by International Organization for Standards. This will help the company to gain trust.
- **Expert Managers:** Life Water company made sure to hire experts only to maintain their brand image. So, the brand manager is an experienced person that is specialized in the field of marketing. In addition to a qualified team that can make the right decisions.
- **Bioplastic Water Bottles:** Life Water company is getting ready to release a new product line called Tranquil Water which is mainly made of bioplastics. Bioplastics are purely made from natural substances. Using bioplastics shows that the company is environment friendly, and it will support the company's greener image. Lately, people became more aware of all the harm caused by plastics, so the majority of people will support plastic free companies.

#### **Weaknesses:**

- **Technological Challenges:** Life Water is using advanced technology and with this strength comes weakness where the company might face technological challenges.
- **Sources of Raw Water:** Even though Life Water is currently pulling raw water in their factory using tube-well that can go deeper than 1000 feet, still it is not enough source of raw water.
- **Biodegradable Products Come at a Higher Cost:** It costs 20 – 50% more to produce bioplastic than to produce traditional plastic. With improved technologies and more access to materials (*Rinkesh, 2022*).
- **Lack of Research and Development:** The research and development department at Life Water is weak and it needs improvements.

#### **Opportunities:**

- **The Increased Awareness of Environmental Issues:** Life Water can take advantage of the growing number of people that value environmentally friendly products. By gaining these people's trust who are becoming health conscious to support and increase the company's Tranquil Water Bottles sales. These water bottles were made from bioplastic

to be more environmentally friendly which matches these people beliefs along with the environment's needs.

- **Improve the Technology:** There is always a room for more improvement in the technology department of Life Water company which will maintain a competitive advantage among the other competitors in the market.
- **The Lack of Safe and Clean Tap Water:** Is tap water in California safe to drink? Unfortunately, the answer would not be a simple “yes” or “no”. According to the state’s laws and regulations having access to safe, clean, and affordable water is considered to be one of human rights. In the state thousands of water systems will serve almost 39 million people. About 5% of these high variety water systems will include some type of contaminant such as nitrates or arsenic. The Life Water Company can use this for their advantage to provide safe, clean, and affordable drinking water to these citizens who became more concerned about their health.
- **Investment Opportunities:** Life Water company can use investments opportunities where they can promote to their company in international markets where they can have more chances to expand and reach to new markets.

#### **Threats:**

- **Bioplastic’s tendency to end up in landfills and incinerators.** Most bioplastic s and compostable packaging will not easily breakdown in a backyard bin. This process requires a high-heat industrial composting facilities that do not exist everywhere which might lead to anti-bottling protest. This can be solved by making an agreement with one of these facilities to expand their services in different cities and cities where these substances can properly be reused or disposed.
- **Water Resources Over-Exploited:** Life Water is mainly depending on groundwater. The high demand of Tranquil Water Bottles will increase the water stress in the operation area. Since groundwater is the main or in some cases the only source of water, this will create conflicts between the company and the community.
- **Health Issues Lack pf Purity of Water Bottles:** Life Water is going through new ways of operations and procedures where they need to be careful. Many bottled water



companies lost their reputation for having contaminated water. One mistake of this kind might cause the company to lose the trust of mass people.

### **PESTLE Analysis**

A PESTLE analysis studies the key external factors (Political, Economic, Sociological, Technological, Legal and Environmental) that influence an organization. It can be used in a range of different scenarios and can guide people professionals and senior managers in strategic decision-making (CIPD, 2022).

- **Political:** The government policies will highly affect the company. In the US, the government gives subsidies and low interest loans to support the water industry. The regulations on safe drinking water, environmental regulations, and regulations on contaminants will highly affect the company. A few examples that the company must consider will be listed but not limited to the following:
  - The political stability plus the importance of water utilities in USA.
  - Level of corruption.
  - Pricing regulations.
  - Tax rates and incentives.
  - Anti-trust laws.
  - Product labelling requirements.
- **Economic:** The macro environment factors such as inflation and interest rates determine the level of demand and investment in an economy. The health of economy affects the amount of money people will spend. In case the economy is not doing well, people will not be able to afford luxury products such as the Tranquil Water bottles hence the prices will be lower accordingly. Life Water must consider the following:
  - The type of economic system and the way to stable it.
  - Efficiency of financial markets.
  - Economic growth rate.
  - Labour costs and productivity.
  - Exchange rates and stability of the country's currency.

- **Sociological:** Drinking water is important for human existence. People used depend on public water supplies, but their behaviours have changed in the last decade. Nowadays, they prefer to buy bottled water to avoid potential contaminants. Life Water needs to consider:
  - The class and power structure in the society.
  - Culture such as gender roles.
  - Health attitudes and environmental consciousness.
  - Leisure interests.
  - Demographics.
- **Technological:** Some of the technological advances helped to increase the sales of the company. In this case, the area of packaging by using bioplastic materials to produce Tranquil Water Bottles will make the product more profitable plus it will make it easier to carry and dispose it. Life Water must focus on the following:
  - The automation technology which increases productivity while remaining high quality by decreasing the dependence on the manpower.
  - Recent technological developments by competitors.
  - Impact on cost and value chain structures.
  - The technological diffusion rates.
- **Legal:** Life Water's products are under a heavily regulated industry where there are subject to several rules and regulation under the local or international implications. It is very important for them to be concerned about the following:
  - Discrimination law.
  - Copyrights.
  - Consumer protection law.
  - Health and safety law.
  - Data safety and protection.

- **Environmental:** Water is essential resource for life and environmental factors can affect the water industry. While the world's population keeps increasing logically the need of clean water increases too. Nevertheless, droughts, storms and pollution will limit the companies access to clean water. There are a lot of environmental factors that might affect Life Water's company as in the following:
  - The drought that the west side is suffering from at the mean time especially California where the company is located.
  - Weather conditions.
  - Climate changes.
  - Air and water pollution.
  - Recycling.
  - Attitudes or protests toward "green".
  - Renewable energy's support.

## **Marketing Objectives**

As we know nowadays people around the world are becoming very health conscious and that cannot be achieved without the main component of all which is drinking pure water. According to that companies are coming up with different brands of water bottles using different kinds of packages and promotions. The forecasts show that the global bioplastic water bottles market is going to exceed US\$ 33.6 BILLION BY 2030. The introduction of such water bottles will minimize the total usage of plastics due to environmental concerns. Life Water will concentrate on the brand's defined goals and product innovations to acquire a competitive edge in the market as one of the leading players in the bioplastic water bottles market. Life Water's objective is to prepare an active marketing plan where it highlights the proper target market and positioning of their product to encourage customers to switch to bioplastic water bottles. In addition to blending the marketing mix to set clear marketing strategies.

## **Marketing Strategies**

### **Segmentation Targeting Positioning (STP)**

It is simply how Life Water will segment their market, target their customers, and position the offerings for each segment.

### **Target Markets**

Life Water is currently targeting the demographics of both middle and higher class. Which means as a start only people with money and go out regularly can afford to buy their products to reach to high ROI (Return On Investment). This will help the company to generate high returns in shorter time. The company is using a single segment targeting where it focuses on one segment which is the bioplastic water bottles since they are not looking to develop other kinds of products in the meantime. This targeting method will mainly focus on the consumer's needs and desires. The company is trying to fulfil the needs of men and women with good income rate that are health conscious. Later, the company might consider making a new product line where everyone can afford to buy. Life Water is targeting but not limited to the following markets:

- Out of home customers.
- Corporations and households.

- Hospitals and clinics.
- Sports events.
- Hotels and resorts.
- Governmental and private associations.
- Tourism areas.

### **Positioning and Segmentation**

Life Water is considered to be one of the leading companies in the water industry according to the high quality they provide. In order to fulfil the markets huge demands, they established a high capacity drinking water producing plant that is located 150 kilometres outside of Los Angeles, California.

Currently, there are three available forms of bioplastic water bottles as the following:

- Small water bottle with the size of **375 ml** = \$1.50
- Medium water bottle with the size **500 ml** = \$2.00
- Large water bottle with the size **1000 ml** = \$3.00

Due to the nature of Life Water's products the best way to segment the market is by using niche marketing. Those who belong to fitness and wellness niche tend to buy expensive products that fits their needs. The company will target people with lifestyles that includes technology, fitness, health conscious, environment concerns and sustainability based on the psychographic side.

Consumers with such lifestyles are usually motivated by achievements which requires resources such as Tranquil Water Bottles. Usually, such clients are busy so, they need products that save both time and effort. Providing such products will be very helpful for these people who are the most concerned about the environment where they can live their normal life doing the things that they like knowing that the products that they use daily such as Tranquil Water Bottles are safe for the environment. Such products will serve the needs for both consumers and the environment at the same time. According to the behavioural category such customers will pay for products that they find valuable. Definitely with time more primary research will be required to reach to higher number of customers.

## **Marketing Mix**

A marketing mix includes four controllable areas where marketing decisions fall into. Life Water is working really hard to do these tasks successfully which is called the 4Ps: product, price, place, and promotion.

### **Product**

Tranquil Water Bottles are new product line produced by Life Water company. This product has a very strong competitive advantage where these bottles are made of bioplastics unlike other normal water bottle companies that uses plastic to produce their products. Tranquil Water Bottles, the plastic free bottles are made from PLA which stands for Poly Lactic Acid that considered to be a special compostable bioplastic. Mainly, it can be found in corn starch while the caps are made of Bio-PE that is made from sugarcane a 100% natural product. Bioplastics uses renewable resources which is very helpful to reduce the effects of the plastic waste problems that suffocates the planet and the environment. These compostable bioplastics can breakdown to turn into harmless natural compounds. People believe that bioplastics are better for the environment that is why they would be fans of such product. In fact, people are becoming more aware about the plastic's bad effects, and they protest against all the substances and products that harm the environment. Tranquil Water Bottles will contribute into reducing the global warming, pollution, and drastic land use change. In addition to the previous advantages these water bottles are represented in different sizes with a whole new attractive design and logo that represents the whole idea of this product which is being environment friendly water bottle. This product is produced with the best quality in the market where it competes with the local and international companies in the same industry.



The three different sizes of Tranquil Water Bottles.

## **Price**

Life Water will focus on using penetration pricing at the beginning which will be considered as a market introduction pricing. This will help the company to observe and monitor the level of the audience interests in their new product. The initial price will be determined based on the other companies' prices to compete with them. The good thing is that the level of competition in this market is very low so it will be very easy for the company to set their prices according to their product's marvellous features. Life Water will definitely provide offers for different packages. Later on, the company might consider adjusting their prices according to their observations.

## **Place (Distribution)**

Since water bottles are considered to be a convenience product they need to be placed and distributed in areas that are filled of people. It is the marketing managers responsibility to ensure that Tranquil Water Bottles are accessible in all locations in the USA. Through using the company's distributor and sales personnel to make sure their products are in the right place. Distributing the products in such way will increase the number of people that see our products which will attract more customers especially the ones who prefer to have physical contact with the product before buying. There are a lot of suggested distribution locations such as:

- All stores and supermarkets.
- Malls and shopping areas.
- Hospital cafeterias.
- Universities and college.
- Railway stations.
- Bus stations.
- Tourism places.
- Selling products on the company's website, Amazon, and sports stores.

## **Promotion (Marketing communications)**

Nowadays promotion is very important for all kinds of products. Life Water is planning to promote their new product on all social media platforms including Instagram, Twitter, and Facebook. In addition to making deals with YouTube influencers with a large following number. Using Google Ads will be considered so the company's products will appear between videos and in popping up ads. They also can make several agreements with hotels and institutions for supplying water. In addition to using their several television commercials. Since the level of competition is low for now these methods will help to promote the company's products. Keeping in mind that in the nearest future other competitors will appear so it is very important to emphasize on the product's features and highlighting the differentiation is essential to the marketing strategy.

Effective marketing would be achieved by blending the previous marketing mix elements to form a coordinated program designed to reach the company's marketing objectives. Life Water will try their best to deliver value to consumers to catch the highest number of customer's responses.



## **Schedules and Budgets**

Life Water will enjoy decent margin on sale because the company conducts a large part of the value chain activities themselves. Since the company takes the responsibility to manufacture everything in-house such as bottles and caps are produced at their manufacture. Except for the labels which are not feasible to produce in their manufactures.

Usually, the sales margin will differ overtime between 10% - 15% because of the different agreements they made with the distributors and the markets demand variations. The distribution commission is around 5% - 6% so, the company could depend on various number of distributors to spread their sales which leads us to the company sales margin which is 10%.

**Break-even** = 2,000,000 units per month.

The market demand will vary from 1.8 million to 5 million units based on the season. Such as in summer the company will need to reach their maximum production level of 5 million units per month while during winter the demand will be lower than the required break-even.

## **Implementation and Controls**

The combination of great vision, solid strategic growth plan will be effective according to the great level of implementation. Hiring an outside Chief as a part time worker in the management team will create an opportunity to share decades of experience and knowledge with Life Water's employees. The managers will do their best apply the strategy of generously spending on advertising and consumer promotions to fulfil the customers' demands. If this succeeds, consumers will start to ask the retailers to provide the products, retailers will order more from wholesalers which will go to the producers asking for more. Push strategy is also recommended where sales force and trade promotions to push through different distribution channels. The company needs to go through auditing and evaluation to decide if they are following the right procedures and processes. At the beginning it is recommended to go through this monthly to discover the weaknesses and create a corrective action plan accordingly.

## **Social Media Public Relations Campaign**

The introduction of Tranquil Water requires a social media public relations campaign to market Life Water as an environment-friendly or greener brand. First, to fix Miss Leono's inappropriate comments a formal apology will be uploaded in the company's social media platforms and show that what she said does not reflect the company's goals and visions a specific amount of money will be donated to firms that took the responsibility to participate in the community to save the environment in addition to the contribution of planting around 300 new trees.

The company will create a “#green\_is\_the\_new\_black” campaign, where all the company's employees will participate by posting pictures that reflect the company's new vision where each employee will plant one tree. Employees can feel free to get more creative to create new trends by using the colour green in their videos as wearing green t-shirts or face paintings. Some could think out of the box by watering plants with Tranquil Water Bottles which shows that the environment deserves the highest quality too.

This hashtag will be released to the public where they can share their own experiences or advice along with a challenge to ask the audience to do one act that serves the environment by planting one tree and take a photo or a video of that action. Of course, people will be more encouraged in case there are rewards. One of the benefits of sending such rewards to the winners will provide the company with a new customer database, not any kind of customers, these people do care about the environment. Hence, they can get access to a wide range of new potential customers.

The hashtag aims to encourage everyone to show their greener side by planting more trees. This hashtag will increase the green program awareness among the people and will motivate others to plant more trees because people nowadays are obsessed with trends and challenges that go viral. In order to draw attention and interest towards this hashtag the company could use the help of a famous influencer or a celebrity to participate, and the rest will follow. The main objective of this campaign is to use the strategy of getting the targeted people to participate.

The company could use different types of promotions, discounts, coupons, and incentives too.

## **Conclusion**

The bottled water industry in USA is in the late growth stage where competition will be increased in the future. Hence, it is essential for Life Water to set an industry standard and to build loyalty in order to hold on to their market share. Companies like Life Water have been in this business for a while now so, they should know ins and outs of this business. With such experience they should consider expanding their business beyond national borders as their next step.

# Tranquil Water



Bioplastic  
Water Bottles



“  
A taste of nature  
in a bottle

”

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