

**BOTTLE BUDDY**

Bottle Buddy is distributed by Zer0 which is owned by three directors who operate the business. These directors each own 30% of the shares, while an external stakeholder who has contributed time and knowledge owns 10%. Bottle Buddy is an elastic band that straps around a drink bottle with Velcro. It has two rectangular, detachable pockets made from vinyl and available in pink and black. These pockets are big enough to store a phone, up to the size of a Samsung Galaxy, and keys, cards and cash.

**CORPORATE OBJECTIVES**

- To make storing valuables at the gym and on the side-line no-sweat.
- To produce and sell a stylish product that enables items to be stored with a drink bottle and give customers peace of mind.
- To make customers' everyday lives easier by having somewhere for them to store items while they train, so they can focus on the training or the game, instead of their belongings on the side line.

**MARKET OVERVIEW****Market Research**

Market research was conducted with 30 people from the target market in April. Surveys were completed at the XXX Les Mills by males and females. Results supported our product idea:

- The majority of regular gym users are between 18 and 35 years of age.
- 22 out of 30 said yes to the idea of Bottle Buddy.
- 20 out of 30 said they would buy Bottle Buddy for under \$10.
- No one had seen anything similar.

From this market research, and research into other fitness accessories on the market, the directors are confident that the product will be successful in the market as the product is innovative and practical for everyday use. Research showed that at events such as fitness expos the products that sold well were protein powders and gym accessories such as gym bags. The directors believe that the success of gym bags highlights the common need gym goers have of simply needing somewhere to put their belongings. This is one of the reasons the directors believe the product will have such success.

Further research was carried out in the form of a small focus group of both gym goers and gym instructors. The instructors were invited to give their advice and opinions on the product as they have a view of the whole group fitness class and can see first-hand the way in which personal belongings are scattered across the ground. They were able to offer insight into the numbers of people taking their classes. The gym goers were able to give advice and feedback on the design of the product, as they were aware of the type of items they would want to store, and the size of the product. They also offered their opinion on pricing for the product which was taken on board by the directors.

**Target Market**

The target market is gym goers, both male and female, between the ages of 16 and 45, however the main focus is women. Fitness New Zealand estimates that the average New Zealand gym has 920 members of whom 50% are women. There are three main gyms in the XXX region which will be approached, and assuming all three has a membership base of 920, there is an estimated 1380 female gym goers in XXX. From the market research it has been calculated 67% would be interested in the Bottle Buddy and the directors believe a realistic assumption of interest would be that 60% of female gym goers would be interested in purchasing a Bottle Buddy, making a possible target market of 830.

**Customer Profile**

The target customer is a person who goes to the gym regularly to do classes and takes their drink bottle, phone and keys to the gym with them. They would require somewhere to put their valuables with them while they train to keep them together, as currently they just place these items on the floor at the side of the room. They may also play sport and take the same items on the side-line.

**Marketing Aims**

- To sell 100 units by the end of the year.
- To have the product ready to distribute by the end of August.
- To get the product placed in a well-known gym to help get brand awareness.
- To be able to continue to sell in 2015 due to ongoing demand.

**COMPETITOR PROFILE**

Two competitors have been identified in the market. There is a Kathmandu pouch available to purchase in store and on their website. There is also the Runner Bottle Holder from Without Walls on Urban Outfitters.

Extensive analysis of these two products, and their promotion strategies, omitted from this exemplar.

**MARKETING ANALYSIS****Ansoff Matrix**

Bottle Buddy is a new product being introduced into an existing market. The name of the growth strategy given to a business aiming to get a new product into an existing market is Product Development. Due to this, the marketing strategy is based on innovation, and satisfying the customer needs. The target customer is a woman between 18-35 years, who goes to the gym and/or plays sport who takes their keys, phone and drink bottle with them. Bottle Buddy is an innovative product reflected in the market research, as no one participating in the survey had seen anything like it on the market. This means that in order for the product to sell the target market will need to be made aware of Bottle Buddy.

The strategy/methods of distribution decided by the directors are based on the idea that this is a new product in the market and the product needs exposure. With that in mind, the directors have decided to meet with local gyms and try to get the product sold either

to gyms to resell, or through gyms as well as through a website. This allows the customers who have the need for the product to have easy access to it.

PEST analysis omitted from this exemplar.

**METHODS OF DISTRIBUTION**

Strengths and weaknesses of two options (sell to gyms for resale, selling from gyms) omitted from this exemplar.

**Option 3 – contingency plan**

If the first two options are unsuccessful the company will try selling the product privately without the help of a gym or retailer. This options would rely heavily on the directors to sell the product to consumers without selling directly to the target market at the gym. This would require more marketing as the product would not be getting exposure from gyms. Pre-orders would be taken in order to gain insight into how many units could realistically be sold. The website would be the main sales channel for the product as it is a good way of getting orders. If the number is not high enough to break even, then sales would not proceed, and any orders that had been paid for would be refunded. The directors would have to decide whether it would be ethical to continue on with the production process and selling the product.

- Strengths No logo would need to be printed for gyms; more emphasis could be placed on building up an online clientele as that would be the main point of sales.
- Weaknesses Requires additional contribution from directors to cover the cost of production; much more marketing is required than in options 1 and 2 as there would be no exposure from gyms; it may be unrealistic to sell the 100 units that the directors aim to sell.

Student's comprehensive SWOT analysis has been omitted from this exemplar.

Marketing mix of Bottle Buddy has been omitted from this exemplar.

Student's comprehensive sales forecast for Bottle Buddy omitted from this exemplar.

**MARKETING BUDGET**

Details for options 1 and 3 omitted from this exemplar.

**Option 2**

As this option will be implemented only if option 1 is not successful, the \$20 will have already been spent on having leaflets professionally printed. Option 2 requires more marketing to be done by Zer0 in order to sell the product. An Instagram page will be set up which will allow people to see the product being used at the gym and at their sports matches. This is at no cost but will be very beneficial in getting the product seen by the target market. A display box will also have to be bought at an estimated cost of \$60. The directors will also approach the local newspaper, The XXX News, to try to get a story about their product in the paper. If the product is successfully placed in Les Mills, the directors will also approach ZM DJs Fletch and Vaughn, and send them a sample of the product in the hope they will post a promotional status on Facebook for the product. This would help in getting brand awareness from potential customers. The reason ZM would be approach is that ZM and Les Mills already have a partnership. In summary, leaflets will cost \$20, promotional display box \$60, postage of Bottle Buddy's to various personalities \$40, total \$120.

**TIMELINE OF MARKETING ACTIVITIES**

Details for options 1 and 3 omitted from this exemplar.

**Option 2**

End of July 2014	Email potential producers in China and New Zealand to get quotes for production with and without logo printing, and find out how long it will take to have the items produced.
Early August	Directors get promotional leaflets designed and printed to give to gyms who may potentially sell the products.
Mid-August	Meet with gyms to see if they would be interested in purchasing the product, or selling on consignment and having a sample from producers to take to that meeting. Agree with gyms to have them sell product on consignment. Contact producers to get product made.
Early September	Have products made and delivered to directors so that directors can inspect product before taking to gyms to begin selling.
Mid-September	Have product placed in gyms and selling to customers. Directors meet with newspapers (if required) to get a story done, and approach NZ TV or radio personalities to ask them if they would be willing to promote the product through their social media. Set up social media page for Bottle Buddy.
November	Wrap up business.