

# Cambridge satchel company marketing assignment

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There are four sections; Market Penetration (Lowest Risk) Market Expansion (Medium Risk) Product Expansion (Medium Risk) and Diversification (High Risk) Borrowed Interest – Borrowed interest is the intentional association of an unrelated theme, event or image with a product, service or subject being presented, to attract attention otherwise not anticipated. In terms of TCSC it refers to how the logo of the bike relates to the City of Cambridge and what is known very well for.

Furthermore Cambridge University is recognised as one of the most prestigious learning institutes in the world making the products of TCSC easily recognisable. Boston Matrix (BCG) – analyses the product portfolio of a brand by segmenting into one Of four different areas, based on: Market Share (low or high market share? ) and the Market Growth – are potential (customers increasing? ) GE Matrix – Similar to the BCG, Market Attractiveness replaces market growth and Competitive Strength replaces market share to represent a more accurate analysis of a product portfolio.

Gross Domestic Product – GDP – The market value of all officially recognised final goods and services produced within a country in a given period of time.

Gross National Product – GNP- The market value of all the products and services produced in one year by labour and property supplied by the

residents of a country. PESTEL – First coined by Francis Aguilar in his 1 967 book “ Scanning the Business Environment” a PESTLE analysis is an audit of an organisation’s environmental influences with the purpose of using this information to guide strategic decision-making.

CIPD (2013) PERT Analysis (CPA) – Helps to plan all tasks that must be completed as part of a project, including scheduling and resource planning. They also allow you to monitor project goals and assess where remedial action is needed. Penetration Pricing – As stated by Riley (2012) Penetration pricing is the pricing technique of setting a relatively low initial entry price, and is often used to support the launch of a new product, to attract new customers.

Pricing – As stated by Magloff (2012) Pricing identifies the demographic that are willing to pay above the norm to feel they are getting a more exclusive product. Pricing is used to maximise profit where there are no substitutes for the product. Porters 5 Forces – This can identify the strength of your current competitive position, and the strength of a position you're considering moving into alongside identify the competitive threats within the market.

Positioning Map – Illustrates on a graph the comparison between like brands, by marking them according to their price and perceived quality.

PPC – Pay Per Click, a method in making your site more visible online SEO – Search Engine Optimisation, a method to make your site more visible through search engines SMART – Specific, Measurable, Achievable, Realistic, Time Bound SOSTAC – Situational Analysis, Objectives, Strategies, Tactics, Actions, Control SWOT – A method of analysing a company's strengths and weaknesses through an internal audit while comparing it to the external factors of opportunities and threats that are present within in the macro environment. TCSC – The Cambridge Satchel Company

USP – Unique Selling Point World City – A global city, generally considered to be an important node in the global economic system. Page 2 This report will assess and evaluate the progression and direction ‘ The Cambridge Satchel Company (TCSC)\* plans to take over the business period 2014-2015. This report will summarise the marketing plan and will cover the aspects needed to introduce a purse into the companys current product portfolio, delivering two recommendations; highly recommended and recommended using a SOSTAC\* model.

In a nut shell the presentation covered TCSC’s current market position and identified, through a SWOT analysis how internally TCSC possesses a sound business model with the ability to convert new diverse product ideas into sales. It also identified that the fashion industry is rapidly developing market with a high turnover of trends that need to be capitalised on to give brand longevity. The PESTEL analysis was used to plan for future events and as an overall industry background analysis of how external factors will affect TCSCs progression. 45 Page 3 Objectives Highly Recommended – Objective 1 Have the purse as a web exclusive item, available worldwide for a limited six onths before assessing its viability for sustained production, in order to identify the product as a future success. The aim is to sell 6000 units globally within the time period. Recommended – Objective 2 To be top result on Google within a 3 month period for the terms Cambridge, Purse and Satchel using SEO and PPC in a bid to increase website traffic and therefore sales.

As agreed in the previous meeting the decision to develop two objectives on a basis of highly recommended and recommended will be discussed in this

report. The appendix will outline the objectives discussed in the presentation but not progressed in the report. 42 Figure 1. Emma Stone (potential brand ambassador) with her Cambridge Satchel – The Chelsea. Google Images 2013 Page 4 Strategies Highly Recommended – Strategy 1 Recommended – Strategy 2 1. 1 – Utilise Social Media to advertise the web exclusive item, like Pinterest to TCSCs website, in a bid to get to 6000 units sold. . 2 – Gain recognition for the brand by gaining the cover of Vogue magazine. Somebody like Emma Stone will increase brand profile and reinforce the fact it will be online exclusive. 2. 1 " Utilise SEO to increase brand presence online and increase circulation of ame. 2. 2 – Use PPC to Purchase the sponsored links on top of the page again to be the first results potential customers see and to create as a combination the ability to increase sales and traffic to the website.

Strategy 1. 1 Topshop recently collaborated with site Pinterest, in November 2013, to encourage shoppers to ' Pin' their favourite products to the pinboard in order to show their products in the real world, Benady, D (2013). Unlike other social media sites, Pinterest is as a tool to help facilitate future planning, it has 53 million monthly unique users globally and is establishing an operation in the UK where it had some 2. 6m unique users in October 2013, about 1. million females (the base of the brands target market) and over a million males, according to Comscore MMX. In comparison Facebook is mainly for posting about what has occurred and Twitter shows what is happening. As identified in the presentation brands like Topshop can be recognised as both a competitive rival and a threat of substitution, when

undertaking a Porter's 5 forces analysis\*. Topshop can offer a similar product at a lower price and has a larger reach due to it being a high street brand.

Furthermore when dissecting what social class the brand attracts it ranges from A to D where TCSC is attracting more the A to B demographic. When looking at the positioning map\* the high quality product of TCSC is encroaching into the territory of Radley, Burberry and other premium fashion accessory brands. As result it would be wise for TCSC to capitalise on a proven model such as social media marketing to drive traffic to the website.

238 Strategy 1. Emma Stone has been widely photographed carrying TCSC products and has been documented in todays entertainment culture she has become a globally ecognised superstar, as stated by Crotty (2013) she has been on three magazine covers this month, including Vogue. As Of current she is not endorsed by any brands, if possible it would be an ideal situation to recruit Emma Stone to TCSC and have her become a brand ambassador to be seen with the new purse.

This would encompass the theory of borrowed interest as fans of her would go on to research TCSC and hopefully continue to purchase the new purse, alongside targeting a wide demographic of consumers that is not necessarily tapped into by competing brands. When you look at the positioning map\* TCSC is in a unique position where it can alance being a quality product, with a premium price whilst being accessible to a diverse target market by releasing a purse that will be more affordable that its other products. 166

Page 5 strategy 2. SEO is best increased through the integration and promotion of core content within the current website. By making the

consumers interaction with the site seamless, there are fewer steps to find contact details, register, or to complete a sale which can relate to a higher success rate. By encouraging reviews it directs the traffic to the website and can cause a buzz on blogs and increases presence on social media; however it is vital to maintain a balance to allow customers to use whichever medium they are comfortable with.

Furthermore social media increases the number of places your customers can leave reviews on and it will be exposed more organic views, resulting in referrals. 114 Strategy 2. 2 PPC is a viable strategy as it requires a small initial investment as it is as it sounds, you pay per click, this is a benefit as it allows you to adapt your budget to your sales goals. Due to the nature of PPC ads, if TCSC was to pay the higher fee then top placement is won instantly, resulting in faster results than with organic SEO methods.

There is also the ability to track the progress of PPC to maintain that it is as effective and efficient as possible by tracking keyword and phrase successes to identify what causes the most traffic and more importantly the conversion of advertisement to sales in a bid to ensure the PPC method is operating at maximum levels. Furthermore like SEO you can guarantee national exposure and with an already known brand like TCSC, which shot to fame in the Google Chrome advertisement, can reach the vast majority of Internet users. In truth there are a vast amount of benefits to how

PPC can be applied, and the method in which TCSC can achieve this will be conveyed in Tactic 2. 2. 188 Figure 2. The current search results on Google when “ The Cambridge Satchel Company/” is searched. Page 6 Tactics Highly

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Recommended – Tactic 1 Recommended ” Tactic 2 1. 1 – Encourage followers to share pictures of them with their products with an incentive for the most likes and shares, meaning the brand name will be circulated more. 1. 2 – Have Emma Stone share a talk about her own TCSC products what she likes about them and push customers to the website. . – Embed the wording into the brands website and use consistently on all linked social media in order for the brand to benefit from SEC? 2. 2 – Identify if PPC is sustainable and to what capacity It is effective at achieving the objective. Tactic 1. 1 A tactic to implement strategy 1. 1 could be the method of penetration into the new market, by using Ansoffs Matrix to analyse the risk, expanding into a new market is considered as a medium risk and to increase the chances of success a promotion would be best advised.

Godwin (2013) states “ 85% of consumers are tempted by buy-one-getone-free offers and similar romotions” while this applied to items within a supermarket retail environment they can be disguised as lost-leaders\* however this method of promotion is not possible with TCSC, By looping back to social media, a competition could be created for people who purchased the new product. For the chance to win any product within the TCSC product portfolio the consumer would post a photo of themselves with the new purse on a social media platform and whoever gets the most shares and likes wins the prize.

This is effectively free marketing by viral advertisement and word of mouth all for the cost of one product. 65 Tactic 1. 2 To get a cover of a prestigious magazine you need an iconic ambassador, as mentioned previously Emma



stone is just that in the making. In order to utilise Emma Stone effectively she needs to be seen regularly in magazines using her TCSC purse, although not necessarily on the cover of industry leading publications such as Vogue. However to increase the brand profile, for her to go on record with a publication such as Vogue and discuss TCSC product portfolio would be beneficial to the brand.

To justify a premium pricing strategy you only have to look at what Magloff, L (2013) states, “ in n attempt to skim the cream of the market” for example TCSC would use their IJSP, how the product is handmade and the factor of British design alongside the power of being endorsed by a global celebrity. By being involved with quality publications such as Vogue this is reinforced.

1 73 Figure 3. Emma Stone (potential brand ambassador) on the cover of (left to right) Vogue, Summer and Teen Vogue. Fashionista (2013) Page 7

Tactic 2. The reasoning behind SEO is to build a reputation among customers; it is through this channel that the brand name becomes more visible on search engines such as Google and Bing. The objective for TCSC is within three months to become the most relevant returned result for the words Cambridge, Purse and Satchel. In agreement with Hibu (2013) what this does is broaden awareness in new market sectors or new geographical areas, which is highly relevant in the case of launching a new product such as the purse.

Furthermore it leads to increased public awareness of product features and benefits; coincidentally within the fashion market allows the brand to react to the rapidly adapting macro environment. When you look at the GE Matrix\* ,

which depicts the need for investment by comparing market attractiveness to unit strength. In terms of TCSC the matrix can be applied to a relevant product within the portfolio to identify if it needs an injection of investment or not to increase sales. 61 Tactic 2. 2 Converting traffic into a transaction is the measure of a successful PPC campaign Opentracker (2013). By achieving ' Quality traffic refers to the return of consumers that are looking for what you are advertising and then proceed to enter the site, browse and ultimately complete a transaction. It is at this point that e-crm becomes a requirement, in order to ensure repeat business and potentially recommend the brand or the purse, especially through social media.

Using Clickstream analysis, you can identify what clients do on your site once the page loads, this information is necessary to manage your advertising, and determine the best ways to maintain the level of quality traffic, of which are converted and ultimately increased revenue. 118

Conclusion Did having the purse as a web exclusive item create the desired attraction? Was Emma Stone a suitable and relevant ambassador that resulted in sales? These are the questions that would determine if the objective was successful. Furthermore did TCSC reach the desired 6000 unit sales of the new purse within 6 months?