

Blue water spring final project assignment

[Business](#), [Marketing](#)



Assignment 11: Final Project – Marketing Plan Financial Goals 1. Blue Mountain Spring Water will increase our customer base and expand our distribution by reaching beyond the borders of Pennsylvania. We plan to start selling our product in the state of Florida, Georgia and other southern states by the end of this fiscal year. Our revenues over the past five years have provided us with a significant portion of the amount we need to expand our production facility to accomplish this task. As with any company we are always trying to improve our product and develop new product lines.

Our research team currently is developing a new product line: flavored water with all natural ingredients. We are also developing a delivery service of our water. Our bottle design team has finished a 5 liter design that will be fitted to a water dispensing unit. These units will be rented to office buildings and houses for a very low cost per month. We will stop production on the 2 liter bottle. The machinery that was manufacturing the two liter will start producing the 5 liter bottles. 2. These two new product lines will increase our revenue by 15%. 3.

We plan to donate 100 cases of our water to each school in the area around our facility. We will take out the soda and replace it with our water for a month. Nonfinancial Goals 1. New product line – Flavored water, 5 liter bottle and also distributing coffee machines that will be able to hook up to the 5 liter bottle. 2. Our new geographic market will be the southern states. 3. Along with our campaign when a consumer turns in 25 of the cardboard bottoms from our case they will receive a free case of our water. We are also starting another campaign, when they return 100 plastic bottles they will receive a free case of our water.

We have joined together with a company that will grind up our bottle and recycle them into the raw form of plastic so we will be able to manufacture more bottles with purchasing any new raw materials. Core Competencies At Blue Mountain Spring Water we strive to go beyond what our competitors are offering as far as a product line and the price of their product. We have achieved this for the last five years and will continue to do so. We are continuing to develop new product ideas along with ways to make our production aspect run more efficiently. Product Strategy

We are in the final stages of designing a 5 liter bottle with a water dispenser unit that will be rented to office buildings and available for sell to the home user. We are testing flavored water to see how the public would respond to this new product line Additional Competitive Factors Projected Sales 2010 \$3. 90 million 2011 \$4. 5 million 2012 \$6 million Timeline Year 1 * Launch of the " Junior" (8oz bottle) in retail packs of 12 * Launch the 5 liter bottle and dispenser Year 2 * Flavored water in the market Year 3 * Coffee machines sold with our 5 liter bottle Blue Mountain Spring Water Marketing Plan

Executive Summary This three year marketing plan has been developed to show where our company is heading and how we are going to get there. For us to reach these goals we had to obtain a loan to expand our facility to accommodate the additional machinery and storage that will be needed. We have been in business for the past five years and have showed a significant profit each year. The next coming three years will be no different. We are expanding our facility, along with our distribution area. We are introducing new products along with different sizes of our bottles. Financial Goals

Blue Mountain Spring Water will increase our customer base and expand our distribution by reaching beyond the borders of Pennsylvania. We have several target markets; children for the age of 5 -13, active teen agers and the elderly. We plan to start selling our product in the state of Florida, Georgia and other southern states by the end of this fiscal year. Our revenues over the past five years have provided us a significant portion of the amount we need to expand our production facility to accomplish this task. The loan we have received has no interest for three years .

We expect to have it paid back in full within two years. As with any company we are always trying to improve our product and develop new product lines. Our research team currently is developing a new product line: flavored water with all natural ingredients. We are also developing a delivery service of our water. Our bottle design team has finished a 5 liter design that will be fitted to a water dispensing unit. These units will be rented to office buildings and houses for a very low cost per month. We will stop production on the 2 liter bottle.

The machinery that was manufacturing the two liter will start producing the 5 liter bottles. We are also investigating doing a cross promotion with local area dealers who have their coffee machines placed in office buildings. We have proposed to these companies's let us supply the water for your product. We are in the process of find dealers who only deal with high quality coffee. We don't want our name to be tarnished. These new product lines will increase our revenue by 15%. We plan to donate vending machines and

stock those with our water free for a year in each grade school in the area around our facility.

This has also been proposed to different schools in the new area we are going to distribute in. As will be described below, we have joined together with a company that will grind up our used bottles and recycle them into material we will be able to make more bottles out of. The raw form of plastic is very dependent on the price of oil. Given the current situation of oil prices today and the possibility of another disaster on an oil rig, This process of grinding up used bottles will save us money. The cost of this process will be a fraction of the cost of being new raw materials. Nonfinancial Goals

New product line - Flavored water, 5 liter bottle and also distributing coffee machines that will be able to hook up to the 5 liter bottle. Our new geographic market will be the southern states. Along with our campaign when a consumer turns in 25 of the cardboard bottoms from our case they will receive a free case of our water. We are also starting another campaign, when they return 50 plastic bottles to a local recycling center they will receive a coupon for a free case of our water. We have joined together with a company that will grind up our bottle and recycle them into the raw form of plastic.

This company will sanitize and clean each bottle before the grinding process. This will allow us to manufacture bottles with purchasing any new raw materials. This will keep our costs down and the price of our product the same. Core Competencies At Blue Mountain Spring Water we strive to go beyond what our competitors are offering as a product line and the price of

their product. We have achieved this for the last five years and will continue to do so. We are continuing to develop new product ideas along with ways to make our production aspect run more efficiently.

With our new product lines we will not sacrifice quality to manufacture a product that doesn't meet our high standards. This is also true for the partnerships we are going to develop with other companies. We are only going to do business with companies that have the same high standards that we have. Opportunities Distribute to the active over 55 communities within our region and the southern states Place mountain spring water in vending machines in local grade schools. We plan to donate the machines and stock. The water will be free for a year. Place cartoon labels on the " Junior" (8oz bottle) in retail packs of 12 Threats

There is the constant fear another company trying to sell a better product will steal our loyal customers away. Public feels that mountain spring water is nothing but tap water. Public will start to drink other beverages Company gets too big for its own good. Management gets spread too thin Competitive Factors We feel that with our new plans to have five liter bottles in office buildings and available for home use. Along with joining in a cross promotion with area coffee machine dealers, will make our name much more visible. These opportunities provide us to attract more customers.

Target Market Blue Mountain Spring Water has noticed an increased growth with the 65+ age group. If we want to keeps this trend going in an upward motion we have to expand our marketing outside of our existing area. Our company will have to start a concentrated marketing strategy in these

southern states. Our strategy is quite simple we will place our product on the shelves of the local pharmacy. We performed data mining on three of the biggest pharmacy's in the south, Walgreens', Rite Aid and CVS and found that the majority of their customers are in our target group.

When a prescription is filled, the doctor recommends that the patient starts immediately taking the prescription. Our strategy is to provide each elderly person who picks up a prescription a bottle of our water at half price. By doing so our product will become a house hold name. We also are going to target the children ages 5 to 13 with our " Junior" size bottles. These bottles will have a variety of cartoon characters on them. They will also be able to be placed in lunch boxes or bags. The active teenager market is also a huge area for us to explore.

With more teenagers getting involved in sports and be more active, they will need to replenish their fluids. We will have poster with the detail information on why it's healthier to drink water instead of soda after a sport's activity. These posters will also have a web site where they can go and receive all the information on why water is so important. We will also continue to market to our biggest group, the active consumers between the ages of 18 to 49.

Product Strategy We are in the final stages of designing a 5 liter bottle with a water dispenser unit that will be rented to office buildings and available for sell to the home user.

We are testing flavored water to see how the public would respond to this new product. We are investigating area coffee dealers who supply coffee machine to office building. We are offering to do a cross promotion with

them if they use our water with their machines. In exchange we have asked that the coffee dealers provide Blue Mountain Spring Water with 1 pound packages of coffee. We will place these packages in specially marked cases of our water. Distribution strategy We are now going to start selling our product in southern states.

For us to sell our product in this new area we will have to rent a warehouse. Our refrigerated trucks will deliver water to the refrigerated warehouse where it will have a quick turnover. Water will not sit for more than five days in the warehouse. We will scan each pallet of water as it arrives with our computer controlled inventory system. This will allow us to keep track of each pallet of water and make sure no pallet is older than five days. This is also true for 5 liter bottles. We will have our locally refrigerated trucks make the delivers to the stores, every three weeks.

Our truck drivers will stock the shelves; if any of our water is over two weeks old our drivers will remove these cases will be removed from the shelves. Each case has a best by used date stamped on each case. The cases that have expired will be donated to local homeless shelters and other area community shelters. Promotional Strategy Our promotional strategy will take place in fall and run for a week. We will have three displays in the northern states. One will be on college campuses and the other two will be placed inside malls at major cities, in neighboring states around Pennsylvania.

The college campuses will be Ohio State. There will be three more displays in Florida, in cities were are target group, the elderly, are located. We will place ads on the side of public transportation, signs placed on the side of bus stops

and billboard signs on the highway, a few weeks before our promotion starts. The advertisement will have a picture of our product along with our slogan, "Blue Mountain is Nature's Fountain" With the statement "Come taste Nature's fountain Saturday September 18 through Saturday September 25". We will advertise that free samples will be available.

The advertisement will have the prices of our various sizes of our water; our product is placed in eco-friendly bottles; for just stopping by you will receive a coupon for a free case of water. Our display will be of a mountain 10 feet high with water flowing down it. It will collect in a pool at the bottom and be recirculated to the top. The mountain stream will be lined with plastic as well as the man-made lake. The lake will be contained in a huge plastic tub. We will have professional landscapers landscape the display to transform it into a life like mountain landscape.

We will provide samples to prospective customers from one of the five liter bottles that are attached to the water dispensing units. There will be no water sitting on the tables waiting for someone to drink it. The samples will be handed out fresh. We will have employees walking around the area where the display is handing out the free coupons for the free case of water. Having the five liter bottles with the dispensing unit on display will give the consumer a chance to see these units before they buy one or tell their office manager about them.

Business cards will be printed up and handed out to any customer who is interested in one of these units. Pricing Strategy Our product has been on the market for five years and we have experienced excellent revenue. We

must develop a new pricing strategy since Blue Mountain Spring Water is going to be sold in new areas around the country. We must keep our product reasonably priced so we don't drive away our very large loyal customer base while attracting new customers. This will be accomplished with four pricing objectives: profitability, volume, meeting competition and prestige objectives.

Profitability - This will be accomplished by delivering our product to the new target areas. We have run promotional events in all the areas and our advertizing billboards will remain visible for quite some time in these areas. We have established a strong foothold in the water business with our various sizes of bottles. With the marketing campaign we have started to promote our 500 and 750 ml bottles we will expand our lead over any other manufacture who also sells the same size bottles. While doing this we must also continue strong growth with our 1 and 2 liter bottles.

Our engineering department is always looking for ways to increase efficiency while cutting down on the cost. **Volume** - As stated we have seen excellent revenue growth just in the select area we have been selling to in the last five years. Now we have expanded our area by ten times. With this expansion our selling volume will naturally increase. We will experience an increase production cost, such as manufacturing, storing and transportation. The selling volume has increased which will offset these cost increases. **Meeting Competition** - We understand that the water usiness is a very competitive business and the competition is always trying to sell their product at a lower price than the next guy. Our cases of water will have something the others

don't. We offer two ways to receive a free case of our water, return 25 of the cardboard bottoms or 50 used bottles. Projected Sales Projected Sales 2010 \$3.90 million 2011 \$4.5 million 2012 \$6 million Timeline Year 1 * Launch of the "Junior" (8oz bottle) in retail packs of 12 * Launch the 5 liter bottle and dispenser Year 2 * Flavored water on the market Year 3 * Coffee machines sold with our 5 liter bottle