

Exotic smokes: marketing strategy proposal

Business



Exotic Smokes: Marketing Strategy Proposal TRIAAD Research Group is a full-service marketing research company who has recently acquired a new client, Exotic Smokes Cigarette Company. This company has asked for a proposal conducting an in-depth study of consumer behavior to analyze the market for their new flavored cigarettes, using fruit and candy flavors. The marketing strategy must attract 18 to 25-year-old customers. Exotic Smokes Cigarette Company has allotted a \$25 million advertising budget for the product. The purpose of this proposal is to identify successful marketing strategies for flavored cigarette. Schedule The research group is recommending 3-6 months to gather and interpret information concerning the consumer-product relationship through both interpretive and traditional approaches through the use of brainstorming, focus groups, surveys, and secondary research.

These areas should be sourced for information concerning affect and cognition, behavior, and environments involved in both the purchase and consumption of the product. With this information, the research group will be able to better identify with the target market and create effective advertising and pricing for the product launch. The team is recommending an additional 3 months to create suggestive advertising campaigns and pricing point recommendations. The project should be completed within 9 months total.

Methodologies It is recommended that focus groups be conducted to gather consumer behavior among people's thinking, feelings, and actions with regard to flavored cigarettes.

A total of 50 focus groups will be conducted at a rate of \$2, 500 per session. Each session should include 50 participants. Focus groups will be conducted

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within various regions of the U. S. Recruitment efforts will identify current smokers of flavored cigarettes. Participants will also be compensated \$50 for their time.

Surveys should also be used to collect specific information about the target market. Surveys may be administered by e-mail, mail, or phone, with varying fees. The targeted incident rate is 10 percent, with 500 surveys being completed. Cost per survey type is indicated as follows:

- Phone. Phone surveys can cost anywhere from \$5, 000-\$15, 000. They typically cost an average of \$40 per interview (or person surveyed).

- However, this per-interview price can increase or decrease according to the success of responses. The fewer the responses, the higher the price. For example, if only 50 percent of the list responds, you'll pay a little more than \$40 per interview.
- Mail. Surveys via snail mail will run close to the price of phone interviews, usually about \$5, 000 to \$7, 000 for 200 responses.

E-mail. E-mail surveys are becoming more popular because their costs are lower-about \$3, 000-\$5, 000 (Lee, 2002, para. 34). The recommended survey may be found in Appendix A. Secondary research may also be utilized to identify who makes up the target market, what their needs are, and potential demand for the product. Information may be pulled from organizations such as the American Smoker's Registry and published reports from credible sources.

Other sources include non-profit and government agencies. Sampling ProcedureSample data for focus group and survey participants may be acquired from cigarette associations and customer lists. Radio

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advertisements may also be used on popular stations requesting potential participants call a 1-800 line to sign up for participation. The estimated cost for acquiring this information is \$15, 000. Plan Deliverables The deliverables for the project include the collection of information that accurately identifies with the target market. Adhering to schedule is key.

Final deliverables include a proposed product launch that includes advertising, launch dates, and pricing suggestions. Ethical Considerations Marketers are responsible for the consequences of their actions. As a member of the American Marketing Association, every effort must be taken to ensure conduct adheres to the Code of Ethics as described by the committee. It is important that marketers understand the impact of their actions and ensure decisions, actions, and recommendations “ function to identify, serve, and satisfy all relevant publics: customers, organizations, and society” (Peter-Olson, 2008, p. 12). There are ethical considerations that must be considered when marketing flavored cigarettes.

Conflicts present include the known harmful effects of cigarette smoking on one’s health and the use of flavoring agents in cigarettes. To ensure the impact of smoking cigarettes is continuously communicated, all packaging must include the labeling of known side effects. At minimum, the inclusion of the Surgeon General’s warning is recommended. This warning currently notes “ smoking causes lung cancer, heart disease, emphysema, and may complicate pregnancy” (Healthcare Packaging, 2010). Furthermore, information found on the Flavored Tobacco Product Fact Sheet on the U. S.

Food and Drug Administration (FDA) website states that flavored tobacco products are not safe and “ these products, containing flavors like vanilla, orange, chocolate, cherry and coffee, are especially attractive to youth. They are widely considered to be “ starter” products, establishing smoking habits that can lead to a lifetime of addiction” (para. 1, 2011). Additionally, a ban implemented in 2009 made it illegal to sale all flavors outside of menthol (Harris, 2009, para. 2). For this reason, it is recommended that flavoring agents be limited to the use of menthol to ensure full compliance with federal regulations.

Professional Fees Professional fees are estimated at \$1 million. One-third of this budget includes the fees to complete focus groups and surveys. One-third will be used to cover travel expenses, data interpretation, and resources for proposed marketing techniques. Finally, the remainder of the budget will be used to cover employee salaries. Conclusion Marketing strategies have a greater likelihood to be successful when done so in a manner that effectively communicates need and value to the target customer.

For this reason, consumer behavior must be understood and reflected. This proposal identifies suggested methodologies for collecting and interpreting such data, timelines needed to complete the research, ethical considerations that must be addressed in marketing, and the recommended budget to ensure a successful product launch of Exotic Smokes Cigarettes. References Harris, Gardiner. (2009). Flavors banned from cigarettes to deter youth.

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Retrieved from <http://www.fda.gov/TobaccoProducts/ProtectingKidsfromTobacco/FlavoredTobacco/ucm183198.htm> Appendix A: Representative Consumer Survey Statement of Objective: The purpose of this survey is to identify attitudes and intentions affecting consumer decisions of the target market for flavored cigarettes. Participants must answer yes to both screening questions before being selected to continue further. Screening Questions Please answer yes or no to the following questions: 1.

Do you currently smoke cigarettes? ____

2. Are you between the ages of 18 and 25 years old? ____

3. Male or Female? ____

4. What is your highest level of education? ____

5. What is your ethnicity? (African American, Hispanic,

____)

Caucasian, American Indian, Other) _____

Affect and Cognition Please answer the following questions. 1.

Is the taste of cigarettes important to you?

_____ . Why do you smoke

flavored cigarettes? _____

_____ 3.

What do you like/dislike about flavored cigarettes?

_____ 4.

How does smoking make you feel? _____

_____ 5.

Does your mother or father smoke?

_____ Consumer Behavior 6. What

brand/flavor of cigarettes do you typically purchase? _____

_____ 7.

What would influence you to try another brand of flavored cigarettes?

_____ Consumer Environment Please circle the appropriate answer. 8.

When buying flavored cigarettes, I look for the best deal available in terms of

price. Never Rarely Sometimes Most of the Time Always 9. I often use

coupons when buying flavored cigarettes. Never Rarely Sometimes Most of

the Time Always