

Market export strategy assignment

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



Introduction

Several hundreds of years ago our company was founded by a purely Irish man who was keen on Irish whiskey. He named the company Green Valley Distillery because the distillery was situated in one of the most beautiful valleys of Mayo. For many years the company was famous for producing high quality, real Irish whiskey called Green Heritage. For its pure, unique taste the whiskey was known far beyond Ireland. Years passed. Hundred of years ago the company decided to capture Europe. In the first years of going abroad, Green Heritage discovered many people who liked the taste of the pure Irish drink. Years later, Green Heritage won many awards, including The highest quality whiskey and The favourite trademark.

Nowadays it is not enough for the company to be known merely in Europe. Therefore the team of six people – Thomas van Helvoort, Konstantin Ignatov, Rosemary Landeweerd, Irena Lityanska, Daniela Naydenova, and Hannah van der Stok were chosen to participate in a venture of penetrating the American market. Succeeding and bringing to every American the image of Ireland and the finest taste, as well as the high quality, which can be experienced with every sip of Green Heritage, became the major priority for Green valley distillery. Methodology Our methodology is simple, yet effective.

When we first joined together as a group, we realized that the best way to start working together was by getting to know one another. A group dinner was an informal setting to discuss ideas, different opinions and previous experience with group work. From the start, we set up clear time-oriented

goals, in order to give ourselves enough time to finish every part sufficiently. We had two meetings per week and kept in contact via e-mail, phone and MSN messenger. Our assignment for Marketing was to successfully implement a new whiskey brand in the US market.

Before we could start with our marketing plan, we first had to conduct a lot of research. We had to find out who our target group would be and what kind of whiskey we would produce to introduce on the US market. We divided the research and after analyzing the findings we came to the conclusion, of producing a triple blended Irish whiskey. After we decided on the type of whiskey, we had to choose in which state we wanted to implement our brand. By looking at our target group, people between 25- 40 and people with an Irish background, we decided to target the state of Pennsylvania.

We do not want to target the whole state immediately, but we want to first start with targeting the three biggest cities in Pennsylvania: Harrisburg, Pittsburg and Philadelphia. If our brand becomes a success we can expand to other cities, even to other states. As we have representatives of four nationalities (Dutch, Ukraine, Bulgarian and South African) we were able to benefit from this by combining the different views, opinions, backgrounds and the ways we approach new markets, to many areas of this report. The main objective of this project is to construct a good marketing plan, which gives us the opportunity to successfully implement our whisky brand on the US market. For the structure of our marketing plan we used the marketing mix strategy: place, product, price and promotion. We divided all the work and with help of the marketing textbook and by conducting research, we

found enough information to write a well-structured marketing plan. The marketing plan deals with all the critical points, before one can introduce a new product on a new market. All the collected information originated from secondary data. This secondary data was based on the main textbook of the course and to a large extent with use of the Internet

As a conclusion we would like to state that we strongly believe this marketing plan would help us to reach our main objective. We feel that by the intensive research we have conducted, we will not have to deal with unexpected surprises, when entering the US market in real life. For more detailed information on the sources used, we refer to the bibliography at the end of this report. Executive Summary Within this international marketing project we have created a marketing plan that will facilitate the market entry of a top-selling European Irish whiskey into the United States.

Our product is a high quality blended whiskey called Green Heritage. Specifically, we will target the state of Pennsylvania initially focusing our efforts on three major cities – Pennsylvania, Pittsburgh and Harrisburg. This report consists of several main sections: Marketing plan To initiate our marketing plan we have formulated a mission statement and long and short-term marketing objectives. These objectives are concerned with expected sales, market share, penetration of the market, market coverage and expected profits. Market segmentation

With the intention of precisely determining our target group, we have performed various market segmentations. These were conducted on the basis of geographic, demographic and psychographic segmentation. This

provided us with a clear customer profile of our potential end-users. An extensive analysis of competition was conducted thus enabling us to make an effective positioning of our brand. Positioning Green Heritage will be positioned as a qualitative Irish whiskey, yet at an acceptable price. We have positioned ourselves strategically with regard to our competitors generating a competitive advantage.

Market mix Most vital to the success of Green Heritage is the market mix. This consists of the following: **Product adaptation** The core product we will market is a 12-18 year old, blended, Irish whiskey with alcohol strength 40%. **Packaging, bottling and labelling** will all be matched with our projected image and aim to reach our target group. These aspects will also comply with the numerous legal requirements. **Sales support services** will consist of an official website and an office in Philadelphia which performs multiple functions, such as market research, customer support, and others.

Promotional mix

In order to promote Green Heritage to our target market, our company will engage in various advertising campaigns ranging from advertisements in magazines, newspapers, on posters and billboards to advertisements on buses. This, in combination, with our sales promotion and PR activities will inform, attract and persuade people to purchase our product. All promotional activities will also be varied with the different (seasonal) holidays and occasions. **Distribution/distribution channels** Green Heritage has to be distributed from the manufacturer in Ireland to the end-user in Pennsylvania.

Hereby we have considered the different channels of distribution. We will export unbottled whiskey in bulk from Ireland and import this into the States. The whiskey will first travel in bulk by truck from the distillery to the port in Dublin. Consequently a shipping service will transport the bulk containers to the port of Philadelphia. All further distribution will take place by truck. The successive stages entail the passage through wholesaler and retailers. Vital is the joint venture that Green Valley will create with Diageo to allow us to use existing relationships of their established distribution network.

With this distribution process, we have come across various legal aspects that have to be taken into account. These include packaging and labeling requirements, as well as transportation, commercial, government and other documentation for export and import. Pricing A retail price for Green heritage was calculated by adding all associated costs including cost of production, bottling, packaging, labeling, insurance, transportation, export fees, harmonized tariffs, distribution mark-ups, excise tax, value added tax, promotion costs, and our own profit margin. Also considered within this section are terms of sale and methods of payment.

Financial statements and budgets To calculate whether our planned activities and actions would be feasible, we have made several financial statements and budgets. Within this section, we have considered all expenses associated with our plan, as well as expected sales and profits. These have revealed the potential for introducing Green Heritage into the Pennsylvanian market. Overall, integrating our recommended strategies will ensure the successful entry of Green Heritage into the United States whiskey

market. Mission Statement For a lot of people tradition is something valuable.

The whiskey from our Green Valley Distillery is full of Irish history, culture, and tradition. We feel that this history is so rich, that we want to share it with other people. It is our mission to let people all around the world enjoy the pure richness of our triple distilled blended whiskey. We want to offer them a whiskey that tastes trusty and gives them the feeling they are appreciated. We will deliver a positive and luxury experience to all our customers because we believe our product has a unique character, which distinguishes itself from the competition; today and tomorrow.

We will start by introducing our whiskey only in one state of the USA, but soon we will expand because everybody deserves a little tradition. The Marketing Plan Marketing Objectives At the starting point of setting up a new product on an unfamiliar market, it is crucial to define the goals and objectives that should be met by our company in the future. When the goals are reachable and clear there is a higher probability of a future successful performance of our company. The product that we want to introduce on the American market is a blended triple distilled whiskey, which will be 12-18 years old.

We, as an already long existing and successful company, selected the following objectives that we plan to achieve through the process of hard and efficient work and detailed research of the market that we are going to enter. The primary objective for us at this point is to first establish a reasonable market share in the State Pennsylvania that would fit into the

current market and as a result be profitable. From there we can expand to other States. We have divided our objectives into short-term and long-term objectives.

Short-Term Objectives * Ensure a strong start for Green Heritage on the Irish whiskey market in Pennsylvania by making the customers aware of the existence of our product in advance with a successful promotional campaign. * Effectively position Green Heritage as a semi-exclusive quality product at a reasonable price. * Reach a 10% market share within the Irish whiskey category in Pennsylvania at the end of the first year. * Continuously increase customer awareness by using promotional campaigns. Long-Term Objectives Establish a firm position on the market in Pennsylvania and become the number 2 selling whiskey in the 3rd year after the introduction of Green Heritage. * Reach a 30% market share at the end of the 5th year and maintain continuous growth * Develop a strategy for expansion to other States' markets * Make more sales as a result of an expansion to other States and increase the net profit. Target Market In order to determine the exact characteristics of our target market we performed a careful marketing segmentation using different bases.

These segmentations will provide us with a target group that is substantial, accessible, identifiable and measurable. Geographic segmentation Geographic segmentation determines the location chosen for development of a market. Based upon current national consumption patterns of Irish whiskey, as well as general population figures and incomes per state, we have determined to target Pennsylvania. It is very important that

Pennsylvania has the biggest consumption of Irish whiskey from all the government-controlled states and is also home to a relatively large population with Irish ancestry.

The other major reasons for targeting Pennsylvania are: relative proximity from the port of origin in Ireland with respect to the whole territory of USA, easy accessibility from big sea ports, location that gives possibility for market expansion throughout the whole Eastern coast and other close inner states with promising spirits markets. The capital of Philadelphia is Harrisburg and the other two biggest and most famous cities are Philadelphia and Pittsburgh. These will be the chief cities for our promotional campaign.

Demographic Segmentation

Demographic segmentation is an important basis related to consumers' behavior and can be divided into several sub-bases. The sub-bases we have used for segmenting the market are age, gender and income. Age and Gender Our target group encompasses the male population between 25 and 45 years of age. The lower limit will imply relatively young people who have just started working or are in their final years of university/college. We have selected the upper limit of 45 years of age because we believe higher aged categories will increasingly value more exclusive whiskeys and they are more brand loyal than the younger generation.

The whole population of Pennsylvania according to the data that we have obtained from the U. S. Bureau of the Census (Profile of General Demographic Characteristics: 2000) is 12, 281, 054. The people living in metro areas are 84. 3% of the whole population, which is favorable for our

product because we will target the cities. The whole legal drinking age population of Pennsylvania for distilled spirits, male and female from 21 to 85 and more years of age, is 8 352 000. The number of people in our target group (25-45-year-old men) is approximately 2, 000, 000.

A big advantage for the popularity of our Irish product is that 18 % of the whole population of the state, and we assume from our target group also, has Irish ancestry. We can expect people that do not belong to our initial target group to be our potential customers as well. However lowering or increasing the age limits will imply the need for different promotional strategies (different advertising campaigns etc) making this aspect more costly and complex. The currently selected age category will allow us to follow single promotional strategies adequate for all ages involved. Income

The statistics shows that the median family income in the state of Pennsylvania is about \$49 184. In relation to our pricing strategies, we aim to reach the middle class to upper-middle class of the population because in general spirits are not cheap alcohols and even though Green Heritage is not a super-premium whiskey, it is still a higher-end quality product. In combination with the selected age category, we believe this market segment according to income, to be most appropriate. Psychographic Segmentation Psychographic segmentation is important because it explains the psychological motives for buying.

The sub-variable of psychographic segmentation that is of significance for our product is lifestyle segmentation. Green Heritage Irish whiskey is designed for people belonging primarily to the middle and upper middle

class, who can appreciate a good quality whiskey. At the same time, however, they are not willing to pay extreme prices, as is the case with exclusive whiskeys. Green Heritage is a higher-end quality product but not an ultra-premium product and is, therefore, more affordable so it can reach larger masses of people with various drinking habits.

Our strategy is to target from young adventurous just-starting drinkers to more educated drinkers with a built taste for high-quality products. Green Heritage is suitable for diverse drinking occasions at home or when going out, it also makes a perfect present for friends or family. Green Heritage should be the brand of choice for the younger crowd who attend pubs and bars more often and would like to become acquainted with the unique taste of Irish whiskey at a reasonable price. Our target group will not purchase alcohol for the sake of drinking alcohol nor will they be completely brand loyal.

Green Heritage's potential as a cocktail ingredient makes it sellable even to people who are not particularly whiskey drinkers but like to experiment with different tastes. As a cocktail drink Green Heritage can earn female fans as well, for whom we can especially develop promotional campaigns in the future. In conclusion we can say that we aim to introduce our product to people with a particular lifestyle corresponding to the whiskey itself and seeking for such benefits: namely a good blended whiskey at a reasonable price. Positioning High price

Positioning is a process that influences the customer's perception of a brand – how the customer qualifies a brand in comparison with the brands offering

similar services/products. We would like to position our brand just below Jameson in terms of price but the quality perceived by the customers should be on an equal level with the most selling Jameson brand. This will give Green Heritage a competitive advantage especially after the customers discover its genuine quality. We will not allow the image of our product to be impaired due to the slight price difference.

Our promotional campaign will strongly stress on the quality and the Irish heritage that our whiskey embodies. Chart 1 – Positioning Jameson Premium single malt Irish whiskeys

WHISKEY X	High quality	Low Quality
Blended	Young	Irish Whiskies
Low price	Market Penetration	Coverage

As we have stated in our short-term objectives we have decided to first concentrate on introducing our product in the state of Pennsylvania and after the 5th year we would like to develop expansion strategies for the other states on the Eastern coast of the USA.

In order to make a realistic estimation about the future market coverage of our product, we have conducted a research and calculated the market shares in Pennsylvania of the whole whiskey category followed by segmentation of the Imported whiskey category and current market shares of the four most selling Irish whiskey brands. The pie charts below are prepared on the basis of the National Alcohol Beverage Control Association annual economic reports, providing figures about the case sales of distilled spirits by category and brands per state. Pennsylvania has the biggest alcohol consumption among all the government-controlled states.

According to the NABCA controlled state statistics “ Apparent consumption of distilled spirits by the state in wine gallons for 2002” Pennsylvania’s consumption from January to December 2002 was 12 096 028 gallons which equate to 45 788 450 liters, respectively 5 087 605 nine-liter cases. In comparison with the annual consumption for 2001, there was a growth of 2.6%. This figure combines dark and white spirits consumption. According to the NABCA report, the total consumption of whiskey in the Irish category for 2002 was 21 000 nine-liter cases.

This means that the Irish whiskey category is a very small fraction of the total consumption of distilled spirits but this is not a worrying factor because the trend since the beginning of the 90’s is towards continuous growth in all the USA states. It is actually the fastest growing category due to the perceived high quality of most of the Irish whiskey brands and the growing popularity of “ all things Irish”. This is also reflected in the Pennsylvania case sales of Irish whiskey, growing with approximately 7% per year. Expected Sales

As stated in our objectives, we expect to reach a 10% market share within the Irish whiskey category at the end of the first year. We expect an initial boom of sales due to our strong promotional campaign, which should ensure good awareness among our target group before the release of the product and thus built curiosity and desire in the people to be among the first to try the new whiskey. The sales should grow gradually and double in the second year after our customers become familiar with the quality of the product and start recognizing it as their preferred whiskey.

In the third year, we already expect to outsell Tullamore Dew and Bushmills, thus becoming the second selling brand after Jameson. As our sales grow parallel with the growth of the entire Irish whiskey segment we recognize this as more potential for expansion of our product market share. In the 4th and 5th year, Green Heritage should already have firmly established its positions on the Pennsylvania market and naturally the % annual sales growth will be declining because the sales volumes will be much bigger. We expect that after the 5th year the sales annual growth should stabilize at 30-35%.

Name Green Heritage Irish whiskey **Age:** GH is a blend of malt and grain whiskeys, triple distilled and aged between 12 and 18 years, in oak and sherry casks. **Alcohol Strength** The alcohol strength of Green Heritage is 40% **Nose:** Deep aroma of refined honey scented maltiness **Taste:** L light and smooth at first. Possessing a full malty and rich middle and a delightful honeyed sweetness, which rolls around the palate, filling the mouth. It glides over the taste buds with the well-balanced smoothness of oak wood overtones.

Finish: The powerful blended maltiness leaves a lingering sensation of the first grain pleasing the palate and stimulating the desire for more. **Packaging** **Bottling** To package our 0.75 liter (25.4 ounces) bottle we have chosen for a bottle with a white glass. Through the white glass, the pure, true color of our blended whiskey will be more accentuated. For the size of the bottle we believe that the following size is the most suitable: 300 x 85 x 85 mm. This

size is best for us with regard to the efficiency of packaging of our product in boxes, pallets, and containers.

Labeling is used for distinguishing all the different brands and is a source of useful information about the content. All kinds of information can be found on the label, depending on the seller. Information found on the label: * Origin * Where the whiskey is made * Content and alcohol percentage We have chosen to put two labels on our product: a front label and a back label. For our blended Irish whiskey we have chosen for the following things to be on the label: Front Label Name/ type – For the name of our blended whiskey we have chosen ‘ Green Heritage’.

The logo of our whiskey will be placed under the name. Under the logo, we will put the whisky type of our product, which is Irish whisky. Because we believe that our product is more exclusive than most of our competitors we will write ‘ Finest Irish Whisky’ under our logo. This will be written in a different kind of writing than the real name of the whisky. Age – Under the type of whisky we will write the age of our product. We will write ‘ Aged 12 Years’ under the type of whisky, since for blended whiskey it is required to mention the youngest aged whiskey on the label.

The number twelve should be highlighted in a way that it will catch the consumers’ eye. Origin – Under the age should be written where it is bottled. For our Irish whisky we will put the text ‘ Produced in Ireland, bottled in the United States’. Bottle Content – Also the contents of the bottle should be on the label. We have decided to bottle our whisky in 0. 75 liter bottles, which equals to 25. 4 ounces. For the place on the label we have chosen left-under.

Because the label should be designed for the US customer it will be written on it '25. 4 Oz ? '. The letter '?' behind the volume indication refers to the measurement of the volume. '?' stands for filled in. If you empty the bottle, you get out somewhat less, since the bottle inside remains wet. Alcohol Strength – We will write our alcohol strength right at the bottom of our label on the same height as the bottle content. Since strength of our whisky is 40 percent, we will write ' 40% vol. ' on our bottle. Back Label Name – Again we will put the name and the type of our whisky at the top center of the back label. For the name and the type we will use different kinds of writing styles.

Background – Under the name and type we will write a little bit about the background of our product. Where does it come from and in what special way is it distilled. We will do this in a way that it looks as if it is been written by the president of our business. This will be done to make it more personal towards the customers. First, a small text of the background is displayed, followed by the signature of the president. Address – On the bottom left of the label we will give the consumer information of how to reach us and where we are located.

A free phone number can be found here for further questions or remarks.

Barcode – A barcode will be placed on every bottle so that we can trace every bottle anytime, anywhere. It is important for us to be able to know which bottles have gone where and if there is a problem with one of the bottles, it can be checked if the bottles made at the same time have the same problems. We will put this barcode on the right bottom of the back

label. Services We will have an office situated in Philadelphia- Pennsylvania.

Office

This office will provide the following services: * A team of people will be responsible for tracking the progress and performance of Green Heritage in the United States. * They will do market research, while identifying the changing trends and preferences of the target market. * There will also be a call center that will answer any enquiries, comments and/or complaints, handle warranty issues, etc. Website Green Heritage will have a formal website where customers can find information on the company, product and other interesting facts about Irish whiskey.

Promotion mix Today's America is involved in a serious love affair with all things Irish. The Irish culture has invaded the United States. Americans are flocking to stage productions such as " River Dance", there are best sellers and box office hits out of books and films such as " Angela's Ashes", " My Left Foot" and " Michael Collins". The U-2 rock band and superstar singing ensembles like The Irish Tenors draw sell-out audiences wherever they perform. Irish pubs and restaurant drinking establishments are opening every two weeks somewhere in America.

All of these, among many other examples, have done wonders for the growth and future outlook of Irish whiskey, which is the true, original " uisge beatha" or " usquebaugh," the Gaelic water-of-life, the oldest whiskey in the world. Therefore, Green Valley plans to use several promotional strategies to efficiently penetrate the Pennsylvania, in particularly, Philadelphia whisky market. These strategies will include a media mix such as in-store

advertising, advertising through magazines, posters, posters on buses and/or taxis, billboards, newspapers and PR activities.

Green Valley will enter the Philadelphia, Harrisburg, and Pittsburgh market by March 2005, just in time for the annual Philadelphia St. Patrick's Day parade. Then also using the same promotional strategy for Pittsburgh and Harrisburg. The Irish whiskey market may still be the smallest distilled spirits category in the industry, with a total annual sales volume in the US that is under half a million cases. But it is also the fastest-growing category of them all, as well as a category predominately made up of higher-end premium, super-premium and ultra-premium brands.

Therefore Green Valley will be positioned at the upper- middle end of the market, demanding a reasonable price for high quality. Advertising

Objectives Our main objective is to inform create awareness among our target group, 25 to 45 year old middle to upper class, the male population of Pennsylvania, about the experience and benefits of drinking our Green Heritage blended Irish whiskey. We will be using a pull strategy, which includes stimulating customer demand in order to enhance product distribution.

In order to achieve our advertising objectives, we will divide it into four different time periods, because these objectives will change as our product moves through the product life cycle. These are as follows: Pre-introduction: In January of 2005, we will implement light advertising to bring general awareness in the form of in-store advertisements at liquor stores around Philadelphia, Pittsburgh, Harrisburg and Irish pubs and bars. About 180 pubs,

bars and clubs, will be targeted, of which 17 are Irish pubs or restaurants in Philadelphia. In Harrisburg, we will target 42 bars of which 4 are Irish.

Pittsburgh has 184 bars, pubs and clubs that we will target. The liquor stores will begin to display posters for Green Heritage. Billboards and buses (transit cars) etc. will also display eye-catching posters. Taste promotions in liquor stores etc. Short term: First year: Gain up to 40% of brand awareness within the target market and sell 24, 000 bottles of GH (Green Heritage) for the first year. These objectives will be accomplished through heavy advertising and brand building procedures. Mid term: Second and third year: To gain a rise of at least 5-10% of brand awareness within the target market annually.

The second year we aim to sell 36, 000 bottles. Third year will also increase the number of bottles sold and that would be 52, 200. Long term: Fourth year until the fifth year: To gain at least 5% of brand awareness within the target market annually. Our optimal goal is to sale more than 95, 000 bottles per year.

Our promotional goal will include a universal promotional strategy that will be focusing on the whole of Pennsylvania. Underneath we have outlined our goals for the first to fifth year of introducing GH into the US market. First year: In the first year we will start to implement our promotional strategy in the three big cities, Pennsylvania, Harrisburg and Pittsburgh. We will use advertising media such as Magazines, Billboards, Posters, Newspapers and advertising in bars and pubs. Second and third year: We will expand our promotional strategy to at least a quarter to a half of the state Pennsylvania.

Forth and Fifth year: Our aim here is to spread our campaign to three quarters and eventually the whole of Pennsylvania after five years. In this way, we will reach total coverage of the whole state. We will then be aiming at cities ranging from the eastern side of Pennsylvania such as Easton to Lancaster and other cities such as Chambersburg to Baldwin. (Please see the map of Pennsylvania below.) Detailed promotional strategy for our test market Media Mix The following promotional strategy is focusing on Philadelphia, because that will be our test market, but it is applicable to the rest of the state as well.

We will then be able to change, add or improve our strategy before we apply this to the whole state. There are various media options available to introduce Green Heritage to our target market. Our target market being 25 to 45 year old, middle to high-class whiskey drinkers want an exclusive, qualitative, yet not too expensive drinking experience. Due to the concentrated city areas nature of this target market, advertising through mainstream media such as television will not make a significant impact in reaching the market. It can also be seen as unconventional in terms of cost.

We will focus on specific media advertising, but we have thought of using some of these options during our pre-introduction phase and right through the product life cycle. Various options are available: Transit advertising, Airports, 30 sheet posters, Panels, 8 sheet posters, 1 sheet posters, Premier panels, Spectaculars, Aerial advertising, Inner city or regional advertising, Mobile billboards, Painted walls and murals, Sailing ads, Television billboards, Subways, Sports areas, Sports cars, Sponsorships, Bus shelters, Bathrooms.

We have decided on using the following media advertising: Magazines Posters Billboards News papers The following promotional strategy focuses on Philadelphia, but we have only focused on one city in our report to show how we intend to apply this strategy to Pittsburgh, Harrisburg and the rest of the major cities within the state. We will start our campaign in the other two cities on exactly the same date and also in the same manner. Magazines We can list various reasons for choosing magazines as a form of advertising rather than television.

Magazines provide reach faster than TV. The top 25 magazines in the US reach more adults than the top 25 prime time TV programs. Magazines engage: 90% of readers pay full and complete attention when reading magazines. Consumers also refer to magazines multiple times -, even saving them, giving advertisers the opportunity for added exposure. According to our research the top six magazines read by our target group in Pennsylvania men are as follows:

Men 25 - 45 Sports Illustrated TV guide Readers Digest People Magazine News Week Playboy

As we have already mentioned, we would like to project an image of sophistication, yet humorous, to be taken seriously, but with a tongue in the cheek wittiness. Therefore we have decided to target Sports Illustrated and News Week, which would be aimed at men. For added exposure we aim at the Readers Digest and TV guide. In the future, we will also target Airport magazines, which would be an ideal form of introducing our product to

travellers departing or coming into Pennsylvania. Consumers can also buy our product on the plane or in duty free shops. Poster Advertising

There are different forms of poster advertising, consisting of street posters of different sizes, posters on the sides of buses (transit cars), smaller posters inside bars or inside airport transit halls etc. Posters – 30 sheets High Impact 30-sheets are effective landmarks on the road that people notice and remember. Using eye catching colors will make our posters stand out, thereby, bringing our company name and image into the minds of our audience. Target ability One of the main advantages 30-sheets provide is geographic targeting, thereby honing into a specific demographic audience. 0-sheets often penetrate densely urban areas and secondary streets where you will not find larger traditional billboards. This medium also works extremely well in residential and commuter traffic locations. Reach 30-sheets will reach an incredible number of people. Because they are relatively inexpensive, we can afford to buy many boards, reaching hundreds of thousands of people every day. That is a lot of different people gaining exposure to our ad. A portion of cars driving by our 30-sheet will be new and different people from yesterday, consequently, increasing the total number of people who see our ad everyday!

A Reminder With more of our competitors around, it is vital to stay at the top of our audience's mind. We need to remind them who we are continuously. Seasonal Usage Because 30 sheets are typically bought in one-month showings, they are an effective medium to use for short-term messages such as seasonal ads and product promotions. Since the paper must be changed

about every 30 days anyway, it is also easy to change our message every 30 days. Posters that light up during evenings and are at consumers' eye levels will also be used. These can be placed strategically near high-class bars and Irish pubs.

Another form of poster advertising will be created at the Philadelphia International Airport (from which high-income business professionals depart and arrive) in the form of wall advertising inside various terminals and first class lounges. Airport advertising offers an innovative and flexible range of media opportunities, ranging from long-term to short-term, indoor to outdoor advertising panels. Advertising availabilities include dramatic backlit signage along each of the airport's concourses. We will also have introductory promotions at Duty Free shops.

In May 2003, (Philadelphia International Airport) PHL celebrated the opening of its expansive new \$550 million international terminal, A-West. Combined with existing Terminal A, the new International Terminal complex accommodates PHL's growing number of international passengers and flights. PHL accommodated 24.7 million passengers in 2003 and is the country's second largest Caribbean hub with 19 destinations. 66% of PHL's passengers are from the local market (67% PA, 21% NJ, 12% DE). Finally, there are seven terminals offering 120 boarding gates.

Therefore we believe that if we put posters in Terminals A and A-west and the busy Terminal T we will reach a considerable high percentage of our target group. Posters are placed horizontally and measure 10 meters to 20 meters. Another form of poster advertising that will be used will also be

within the city's bus system, displaying posters at bus shelters. Advertising within the city centre's bus shelters will create strong awareness amongst the upper classes as well as business professionals who catch the bus into the Philadelphia Central Business District.

Posters on buses People notice moving objects when they are driving. Bus ads are eye-catching, unique and therefore memorable. There is no clutter or other advertising distractions, especially at traffic lights where cars get stuck right behind or beside ads for several minutes. Full wrap and tail wrap buses. Buses have the incredible capability of reaching a wide variety of people. The broad reach comes from the mobility of the ad. Buses, unlike traditional billboards, are able to reach. The mobility of transit advertising allows the message to cover many different angles.

When the advertisement is a full wrap, it can be viewed from ongoing and oncoming traffic, as well as, panoramically from all directions. All types of people and vehicles can also view it. Most major cities divide their markets geographically, allowing advertisers to buy buses that travel in targeted demographic areas. This cuts down the number of buses needed to ensure a high showing. Bus advertising also avoids zoning restrictions, which prohibit advertising from appearing in selected areas; this enables us to penetrate areas that are otherwise impossible to reach!

Therefore the third form of poster advertising that can be used will be within the city's bus system, displaying posters on the back of buses that run to and from Philadelphia city centre. These buses will display advertisements for Green Heritage, and the bus route through Philadelphia city will see this

form of advertising. The population of Philadelphia county is roughly around 1.5 million people. Of these people 71.2% are high school graduates aged 25 and over. About 62% of people are still living in the same area.

We can conclude from these statistics that there are still a large percentage of people who commute to and from the city of Philadelphia. Billboard advertising Normal Billboards High Impact Billboards are huge landmarks on the road that people notice, remember, and talk about. Using eye-catching colors and a copy can make our Billboards memorable, burning our company name and image into the minds of our audience. Frequency Many people drive to and from work or other places by the same route everyday. That means, conservatively, they will drive by our billboard ad every workday 20 to 25 times per month!

That is a lot of frequency and is why billboards are the very best medium for generating exposure. Implementation We will position these posters on certain roads and areas where traffic is usually very high, such as Belmont avenue exit 31 and exit 38 going to the city center and Manayunk train station in Philadelphia. Also, roads going to and from the waterfront.

Manayunk is just minutes from Center City and is easily accessible by car, taxi, bike or public transportation. Therefore we will advertise on normal as well as electronic billboards.

Implementation We aim to advertise on billboards on the way to and from the Philadelphia Central Business District, waterfront, and railway station and on billboards at Philadelphia's downtown restaurant and pub district. By putting up these billboards alongside these highways and roads, it will be

clearly visible by motorists, pedestrians and public transport passengers. The billboards are ten meters by twenty-five meters and usually sit at the side of highways and at busy intersections. Newspaper advertising

Newspapers represent a form of media that covers a very wide scope both geographically and demographically. According to a survey of the Top 100 Daily Newspapers in the United States, Philadelphia Inquirer is ranked 17th, Post Gazette 39th with a circulation of 400 000 and 250 000 respectively. In order to advertise effectively within Philadelphia, newspapers such as the Philadelphia Inquirer will be used as another advertisement medium.

Advertisements for GH must be strategically placed such as within the business section, which focuses on personal finance for middle to upper-income individuals.

Advertising within newspapers however, can be quite limited in terms of size and colours, but do offer daily advertising and by strategically placing ads, we will be able to reach our target market. Internet advertising We will also advertise on the internet, because we will have a website [www.](http://www.GreenHeritage.com)

www.GreenHeritage.com, where customers can find out more about our company, exciting promotions, competitions and news of sponsorship etc. Customers will also be able to take part in polls and surveys and leave suggestions. There will be recipes for cocktails, which include our whiskey.

We will also have other interesting stories about Ireland and the history of our company. Message Green Valley's target market as we have already stated, are of middle to upper class 25 to 45 year olds. We therefore try to portray GH (Green Heritage) as an exclusive yet young vibrant whiskey.

Although not too exclusive, GH will be a new brand that states quality with a witty classy image. The advertising of the Pre-Introduction of GH will be different than the ongoing ad campaign after the launch. Pre-Introduction Message:

Because we want to make consumers aware of a new Irish whiskey on the market, we will already start advertising three months ahead of the actual launch. Selected magazines, billboards and posters in bars and on buses will grab the attention of the upcoming launch. It will consist of a green background that is eye catching with big black letters stating: " It's coming... are you ready? " and through different medias we will portray different messages in black still keeping to the bright green background and theme. With other slogans as: " The green invasion countdown has begun! " or " The time is near...get ready! By using these messages we spur anticipation and curiosity in consumers. After launch Message: Here we will build on the classy yet witty and humorous image of our whiskey in order to reach our market. Because we have already spurred on a lot of anticipation in our consumers, making them wonder what the new product can be, we want to be creative. Firstly, we will have a new advertisement with a picture of an alien ship, which landed on earth, very classy butler type aliens carrying GH Irish whiskey. The slogan stating: " The universe has made their choice, what will you choose? and other adds which will link the pre-introduction ad campaign such as " The Green invasion has begun..." Afterwards the whole theme of GH will be " Get your priorities right! " For example an ad where the background will be the cliffs of Ireland and a man hanging from the cliff, his girlfriend or wife standing nearby with a glass of GH, having to decide on

rescuing him or finishing her drink. Slogan at the bottom: “ Get your priorities right! ” or another alien butler advertisement where the aliens are sitting in their space ship watching earth and the one says: “ Henry, shall we invade earth today? other one answering: “ Yes, James, everything but Ireland! “...Get your priorities right! ” We will have different advertisements according to the public holidays or days such as Valentine’s Day or Father’s day. Promotional Calendar – table As we have mentioned above, we will start our pre- introduction about 3 months prior, Jan 2005, to launching Green Heritage in March 2005. There are, of course, also special holidays, which we have listed underneath to indicate special promotions and advertising campaigns aimed at those dates. Super Bowl Valentine’s Day St. Patrick’s Day Spring

Memorial Day Father’s Day Summer July 4th Labor Day Fall Thanksgiving Christmas Easter Following is the Promotional Calendar for the first year:
 Timeline| Media Used| Scope of Advertising| Jan – March 2005Pre-Introduction (3 months prior to introduction)| Posters| Posters displayed in 30% of targeted liquor stores and 60% of pubs. Posters displayed in 4 different street locations around Philadelphia Central business district. Posters on buses also taking major routes in and around Philadelphia and in some bus shelters. One billboard next to busy highway coming into Philadelphia. March –May 2005March 2005 – March 2006May- Nov 2005Dec-2005-Feb 2006March 2005 – March 2006| BillboardsPostersNews paperMagazines| Two billboards and one electronic billboard alternating in location for a period of 12 weeks each. Each occupying a different location next to a busy highway. Poster displays continued in all targeted liquor

stores and pubs. We will reduce the number of posters around Philadelphia streets to 3, each staying on for 6 months. The last 3 months will see 2 GH posters on the back of buses. We will also put 4 posters on bus shelters in and around PA for 4 months.

We will place 3 posters within Philadelphia International Airport for 10 months each. We aim to advertise in the Business sections of the Philadelphia Inquirer for editions Monday-Friday for the first year. One page advertisement for March 2005 issue in Sports Illustrated and Glamour Magazine for St Patrick's Day. One page advertisement for April 2005 issue in News week and People magazine. One page advertisement for 10 monthly issues of Readers digest starting from April 2005 issue. One page advertisement, skipping one month in between of TV guide. Of course, the above promotional calendar is only for the first year of introducing GH to the US. The promotional ad campaign will change as the customer gets to know our product better, we will change our strategy according to the response of our target market. Our advertisements will also be aimed at the holiday dates mentioned above. As we have mentioned before, these advertisement strategies also count for Pittsburgh, Harrisburg and the other major cities.

Costs The approximate total cost of the advertising decisions is shown below.

We have found that advertising costs are very difficult to obtain as only advertising agencies are allowed to place advertisements in the various media. They are thus the only people with access to our required data. Therefore, for the purposes of our report we decided to allocate about 15-20% of our projected revenues to the advertising budget and then we split

this budget between the various media that we aim to use. We have decided to allocate between 5 to 32 % of our projected revenue to the advertising budget for every year, as indicated in the above tables. Sales Promotion Objectives The objectives of the sales promotions for Green Heritage will be achieved through both the customer and the efficient use of advertising media. In order to gain sales of GH, we will stimulate our target market by sales promotions to ensure higher demand and consumption of GH.

Furthermore, Green Valley would like to create a form of competition amongst the liquor retailers and promote the sales of GH within these stores. Promotional Calendar – table Timeline| Promotion method| Objective| Pre-introduction –Jan – March 2005| In store promotions, demonstrations, samples-taste tests of GH and in bars, pubs a girl walking around selling small shots of GH. | Introducing GH to our target market. | March 2005| Party packs will be sold in liquor stores- consisting of classy whiskey glasses, a small bottle of GH, t-shirts etc. aiming at St. Patrick’s day. Further introduction of GH, focusing on St. Patrick’s day. | June 2005| Special gift packs for Father’s day and another taste testing. | Aiming at special holidays we will reach a higher % of our target market. | July and August 2005| Promotions in bars, pubs clubs for the summer season. If you buy a certain amount of GH whiskey in the summer season you will get a beach umbrella or frisbee, t-shirts for free. A card will be stamped every time you buy a glass of GH. We will also start with competitions, where customers can win a trip to Ireland and stay in a castle. By giving the customer a chance to win prizes we will further enhance our sales and penetrate the market even more. |

Nov-Dec 2005| Special Christmas gift sets will be promoted in liquor stores. | Around Christmas and Thanksgiving time a lot of people want to buy special gifts that are exclusive. | Jan – Feb 2006| Special New years GH bottles with different shapes will be sold as a limited edition, smaller bottles as well. We will sell special Valentine’s gift sets. | By introducing a limited edition bottle combined with other advertising media it will spur on curiosity within our target market and increase our sales. Costs The costs for implementing our sales promotional strategy will not be high, as the in-store promotions and taste testing will not be a huge cost for a company such as Green Valley. Although the major competitions, sponsorship will cost more. We have therefore also allocated a percentage of projected revenue to these activities, which is 15% and 7% respectively. PR activities St. Patrick’s day parade Philadelphia’s St. Patrick’s Day Parade is a long-standing event of great civic pride in Pennsylvania. The Annual Parade takes place, on or before March 17th.

This Delaware Valley event is the largest Philadelphia Parade by a number of participants, approximately 20, 000. More than 150 groups are represented in the parade including: Marching bands, dance groups, youth groups and Irish associations. Thousands of spectators line the Parkway to enjoy the Parade each year. Thus by participating in this parade, we will also receive recognition quickly. Spirits competition in San Francisco Every year a world spirits competition is held in San Francisco, and next year it is expected to attract more than 1, 000 spirit brands from around the world.

The judges are all well known spirit experts and in the judging there will be 30 distinguished spirit mavens selected from sommeliers, restaurateurs, spirits retailers and journalists who will be looking for the best in 11 white spirit categories, 10 brown spirits categories, 13 for brandies, nine for cordials and liqueurs and one miscellaneous division. Taking part in such an event will definitely increase awareness of GH and may also take a few titles while it is there!! Other competitions As we have mentioned previously in the sales promotional calendar, we also aim to have a competition of some sort every 1 to 2 years.

Small competitions will be more frequent of course. A great prize would be to win a trip to Ireland and stay in one of the magnificent castles for a week.

This will definitely boost sales and encourage consumers to try our whiskey.

Conclusion To conclude we would like to state that we believe that by using our promotional strategy in the most efficient way possible, we will achieve our entire objective and exceed our expectations. We have used Magazines, Posters, Billboards, Newspapers, and competitions as our advertising media to reach our target market. We will also take part in the hugely popular annual Spirit competition in San Francisco.

By having a diverse selection of advertising media to our disposal we know that we will be able to reach our market in a creative manner, while increasing our competitive advantage at the same time. Our promotional and sales promotional calendar will give us clear time goals and our advertising budget meets the requirements to these goals well ahead of time. Not only will the other whiskey and spirits in the US have to watch out

for our innovative ideas and imagination, but other leading Irish whiskey brands will also have to compete with the very best Distribution from Ireland to the USA Mode selection

Before we can sell our product in the USA, we first have to find a cost effective and relatively fast way to transport our product from our distillery in Balbriggan to our distribution points in the USA. We have to think of transportation from Balbriggan to a port, the shipment over the ocean to the USA and finally from the port in the USA to our distribution points. After conducting some research we have chosen to use different companies to organize the transport from Balbriggan to our selling points. Below we have described the three transportation routes that our product has to undertake before it has reached our distribution points.

Transportation within Ireland For the transport from our distillery to the Dublin Port, we have chosen a well-recognized transportation company called Campbell Freight. Campbell Freight provides worldwide transport solutions in partnership with world leaders in the various fields of International Transportation. We will distill our whisky in our distillery in Balbriggan, a little village near Dublin. From there we need to transport it to the Dublin Port, from where we will ship it to the USA. Balbriggan is located near the N1, a highway that goes straight to the center, where the Dublin Port is located.

This transport will be carried out by a truck of Campbell Freight, which has an office in Dublin. The distance between our distillery in Balbriggan and the Dublin Port is 19.4 miles and it will take 34 minutes to get there by truck.

<https://assignbuster.com/market-export-strategy-assignment/>

Transportation to the USA Our aim is to find the easiest and cheapest way of transportation for us. We have two possible ways of transporting our product overseas: by airplane or by boat. Both of them have advantages and disadvantages. Transportation by airplane, for example, is a lot faster and more reliable than transportation by boat, but it is also very expensive.

Transportation by boat is a lot slower than by airplane but it is reliable enough and relatively cheap. In the stage of introducing our new product into the USA market, we have chosen to transport our product by boat. We will do this because of the fact that our distillery is located nearby Dublin, which has a large international port that we can use. Also, the big city Philadelphia in the State Pennsylvania has a large port, by using the Delaware River, with good distribution opportunities to the cities in which we want to initially launch our product.

This over-seas transportation will be carried out by ‘ American Baggage Inc. ‘, which is a big international and domestic shipping service. Transportation within the USA Once our product has arrived in Philadelphia, we will first have to bottle our blended whisky. We will do this in a bottling company that is strategically located at the port. From there, again our retailers are responsible for the transporting of our product to its selling points. This will be done by the use of trucks. Selection of ports Port in Ireland As we have decided to use transport by boat, we need to find a big international port.

From the Dublin Port a boat will bring our product to the Port of Philadelphia. Dublin Port is the principal port in the Republic of Ireland. It is a self-financing, semi-state organisation whose business is to facilitate the flow of

goods, passengers and attendant tracking information through the Port. Port in the USA For our transportation to the main cities of Pennsylvania, we feel that is important to transport our product from Dublin to an international port that is first of all connected in some way to the Atlantic Ocean.

Secondly, we have to have good transportation channels to our distribution center.

The Port of Philadelphia is strategically located at the centre of the Northeast corridor, the country's largest and richest marketplace. The Port is directly accessible to more major cities by rail and truck than any other port in the country, ensuring that our deliveries are timely and cost effective. The port of Philadelphia also has the opportunity to handle liquid bulk, an advantage for us because we want to bottle our whisky in the USA. We will do this in the Port of Philadelphia, also the location of a bottling company. Packing The real packaging of our whisky product will be done in the US.

Before we can sell our product on the US market we have to deal with many rules and regulations, regarding the packaging and labeling. Below we expand in dept on all these regulations and show what we need to do before we can legally transport and sell our product on the US market. We will also explain how we will package our product. Coding and labeling regulations Normally labels affixed to bottles of imported distilled spirits and wine must be covered by certificates of label approval, issued to the importer by the Bureau of Alcohol, Tobacco and Firearms.

Certificates of label approval or photo-static copies must be filed with Customs before the goods may be released for sale in the United States. An

importer must obtain a Certificate of Label Approval prior to importation. For some specific alcohol beverages, a sample must be submitted to ATF for laboratory analysis prior to importation. Certificate of Age and/or Origin are required in the U. S. only if the country of origin for the specific product requires them. Since we bottle our product in the Port of Philadelphia, we do not have to deal with the Certificate of Label Approval prior to importation.

Packaging of our product

Our transportation company Campbell Freight has special trucks, which are able to transport our whisky in unbottled form. On arrival at the port our whisky will be transported onto a ship of American Baggage Inc. Our target is to sell 65 bottles per day in the first year and expand this every year. This means that we want to sell $65 * 365 = 23,725$ bottles in the first year, which means $23,725 * 0.75 = 17,793.75$ liter in the first year. We want to ship once a year, because it saves us transportation cost. Off course we will not distribute everything all at once, but will store it at the bottling plant.

If during the year sales run so well that we have to transport more whisky to Philadelphia that year, we can always do so. Our first shipment will contain $\pm 17,800$ liters, which will be transported in bulk. A ship from Dublin Port will have to travel around two weeks before arriving at the Port of Philadelphia. After arriving at the bottling company in the Port of Philadelphia we will bottle our bottle-blended whisky in the following way before distributing it to our selling points. * First we will have to put our bottles in carton boxes. The size of one bottle is 300x85x85 mm.

We will use ordinary 9-liter crates, which can fit 12 bottles. We have chosen to use a carton box with the size 400x350x300 mm. The bottles will be placed in the box per four, so it will contain three floors of four bottles. There will still be some space in the box, and we want to use this space to fill the box with wood-wool. This way the bottles will be well protected and there is almost no chance of damage. * Before we will put the boxes in the container on the truck, we will first place the boxes on pallets, which makes it easy to move them. The pallets have the following size: 1200x1000x125 mm.

On one pallet we will place 18 wooden boxes, nine on the floor and nine on top. One pallet will now consist of 216 bottles of Green Heritage. We will bottle everything at once, but we will not have to distribute everything. In the first 2 months we need 3,640 bottles, the rest will be stored