

Marketing assignment

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When Henna's first daughter began talking, she had trouble saying, "water," so she would often say, "I want Lola"; therefore, "lockup" and "lowland" were the obvious choices for a product and company name. Hanna and her husband; Mark Lime went on the Shark Tank Show looking for an investment of \$kick in exchange for a 15% ownership of the baby cup business and valuing it at \$1.5 million. The Limb's had invested \$100,000.00 to get their version of the Skippy cup to this point. The Limb's did a deal for kick and 40% which was more realistic number for the Sharks to consider.

Hanna and her husband are currently the only full-time employees and they do have two equity partners, Mark Cuban and Robert Wherever. Before the Limb's went on the Shark tank Show they had lifetime sales of \$40,000.00 from 50 retail stores. Within months they brought the Lockup back for a featured update and reported that sales have already climbed to over \$kick and it's now available in over 300 stores. To keep up with demand the Limb's needed to move the production and fulfillment out of their cramped house which was capable of producing only 800 Lola Cups a day.

They now had the capital and the orders to hire a facility to do the assembly which can make 3000 to 5000 Lockups in a single day. They report that both Mark Cuban and Robert Hermetic have been very hands-on in making sure this business becomes a huge success. The Lockups retail for \$18.00, wholesale for \$9.00 and costs \$4.50 to make. Lockup is available for purchase on the lowland website and in over 300 retail stores across the US. On the website, there is "In stores" page where retailers are listed. When customers make a purchase from lockup. Mom, they provide their name, email address, credit card information, address, phone number, and a

password. The company reserves the right to contact them directly for order fulfillment requirements and Information about products and services.

Lockup's privacy policy applies to all customers and any other parties with respect to information that is gathered throughout this website It is a statement of the firm's business based on a careful analysis of benefits sought by present and potential customers and an analysis of existing and anticipated environmental conditions.

Lowland's mission statement is: To rid the world of tired and mundane products by developing clever, innovative solutions that excite and delight families making parenting safer, easier and more fun. Environmental Scan It is the collection and interpretation of information about forces, events and relationships in the external environment that may affect the future of the organization or the implementation of the marketing plan. Social factors They include the attitudes, values and lifestyles.

Social factors influence the products people buy; the prices paid for products, the effectiveness of specific remissions and how, where and when people expect to purchase products. People also create a certain image of every product available in the market through its brand image. A product might be really good but if the consumer feels it is useless, he would never buy it. Demographic factors The uncontrollable variable in the external environment which is demography; the study of people's vital statistics, such as age, race and ethnicity and location is strongly related to consumer buyer behavior in the market place.

Age groups such as Generation Y offer opportunities for the marketers.

Generation Y who are born between 1979 and 1994 have started their careers and many have become parents for the first time leading to lifestyle changes, they care for their babies and spend money on baby products.

Women influence over 85% of consumer purchase decisions in the United States. They are primarily involved in baby products purchase decisions.

Economic factors They are areas of greatest concerns to most marketers such as consumer's incomes, inflation and recession.

Average expenditures per consumer unit for July 2011 through June 2012 were 1.9 percent higher than the 2011 annual average, the U. S. Bureau of Labor Statistics reported March, 2013. This gradual rise in spending continued the increase reported for all of 2011 and productivity increased 0.5 percent in the nonfat business sector in the first quarter of 2013.

Technological factors The recent economic downturn and slow recovery have had an impact on research and development (R) spending.

An innovative design for a cup that makes it easy for babies to handle in their early months, and a variety of colors and shapes differentiate Skippy cups. As long as the company can include features which are innovative and convenient for consumers; for example a weighted straw; the company will be able to survive in competition. Political and legal factors interests of society in general, one business from another and consumers. The Pure Food and Drug Act (1906) does not allow manufacturers of baby bottles and Skippy cups to use plastic that contains BPA (bisphenol A).

BAA is a chemical that mimics estrogen. The company is also subject to pricing regulations. It is not allowed to set a price below or above competitors as well as being subject to the Consumer Product Safety Act (1972) which establishes safety standards for products. Competitive factors The competitive environment encompasses the number of competitors a firm must face, the relative size of competitors and the degree of interdependence within the industry. Much of the baby market is devoted to figuring out which preferences people will pay more for. And it seems as if the market now offers endless choices.

Amazon alone sold 2, 417 different pacifiers, more than 1, 000 car seats and 3, 000 straw cups. Munchkin, Nuke, The first years are among those competitors. Offering a safe product that follows USA rules a regulations is a feature most parents look for ND that will guarantee a healthy and happy a child. Location of production also matters. For parents, a product manufactured in USA is much better and reliable than that of China. A company should care for its customer service as well. SOOT SOOT analysis is identifying internal strengths and weaknesses and also examining external opportunities and threats.

When examining internal strengths and weaknesses, the marketing manager should focus on organizational resources such as production costs, marketing skills, financial resources, company or brand image, employee capabilities and available technology. When examining external opportunities and threats, the marketing manager must analyze the aspects of the marketing environment through a process called environmental scanning. Strengths Enthusiastic and dedicated workforce. The product is <https://assignbuster.com/marketing-assignment-essay-samples-7/>

totally made in USA. The high percentage of reorders suggests a satisfied customer base.

Weaknesses Lowland offers only one product; a straw cup. High production costs. **Opportunities** The newly hired assembly facility allows for expansion of production. **Lockup follows FDA.** **Threats** product mostly addresses Generation Y women who have babies or toddlers. **Competitive Advantage** It is a set of unique features of a company and its products that are perceived by the target market as significant and superior to those of the competition. Lockup is an innovative straw Skippy cup that's a stylish and smart alternative to the traditional Skippy cup. It is Just plain attractive.

Lockup is a valve-free, weighted straw Skippy cup that allows infants as young as nine months old to easily and effectively drink from a straw, even if the cup is tilted. Other Skippy cups come with spill-free valves, making it difficult for little ones to sip from. What gives Lockup a reedit is that it is proudly made in the USA; in Southern California. Lockup is also easy to clean, are parts are minimal and a straw cleaning brush is included for added convenience. **Marketing Objectives** It is a statement of what is to be accomplished through marketing activities.

The first marketing objective is to build brand awareness to become noticed and to be able to compete with other companies. Second, to achieve cumulative growth in net profit of at least 50 percent over the next five years. Third, to gain a better understanding of the needs and satisfaction of current customers. Fourth, to create new products that can utilize its current equipment, technology, and knowledge base **Target Market Profiles** It is a

group of people or organizations for which an organization designs, implements and maintains a marketing mix intended to meet the needs of that group, resulting in mutually satisfying exchanges.

Lockup is available in over 300 stores in addition to online orders. Lockup customers live across the United States, Canada and internationally in China, Hong Kong, Japan, Indonesia, Portugal, Puerto Rico, Saudi Arabia, Singapore and Taiwan. The active consumers present a demographic group of generation Y, mostly women; those whose lifestyle consists of being young married or divorced with children who are interested in new products. They are also heavy users for baby products.

The target market of Lockup appeal to consumers' emotional motives; to care for their loved babies in addition to speech and dental benefits that are undeniable and getting children accustomed to straws is beneficial for any busy parent. Product Strategy It is a plan that links the new product development process with the objectives of the marketing department, the business unit and the corporation. Lowland variety of colors; bold red, good green, happy orange, brave blue, posh pink, and chic black, there is only one shape and one size. So, maybe expanding its product line will generate more revenues.

The drawback is that the straw can stain. The company is asking the chemist about new, safe alternatives, but for the time being, rather than using more additives in the material parents can periodically replace the straw. Lockup is branded as US made. It is light weighted, it can be shipped easily but the packaging is difficult to display on store shelves. It is important to mention

also that landed has excellent customer service and after sale service.

Pricing Strategy It is a basic long term pricing framework that establishes the initial price for a product and the intended direction for price movements over the product life cycle.

Lowland provides a high-quality product customized to its clients' needs. The value of this product is reflected in its premium price. The product is priced with the competition in mind. As mentioned earlier, lockup is totally made in USA, therefore a few extra bucks per Skippy cup is a small price to pay for kids health and for parents to have the peace of mind. **Distribution Strategy** Adequate distribution for a new product can often be attained by offering a larger than usual profit margin to distributors.

A variation on this strategy is to give dealers a large trade allowance to help offset the costs of promotion and further stimulate demand at the retail level. Lowland uses retailer channels; it is available in over 300 retail stores across the United States, Canada and internationally. It is also available online on their website. Orders are characterized by fast shipping. Lowland monitors and maintains strong relationship with both distribution channel embers and customers. Over the next few years, Lowland seeks to expand distribution to retail specialty shops throughout the nation.

In addition, Lowland plans to place internet kiosks at some of the biggest profitable retail stores so consumers could order products from the stores.

Promotion (Marketing Communications) Strategy It is a plan for the optimal use of the elements of promotion: advertising, public relations, personal selling, sales promotion and social media. **Advertising** It is an impersonal,

one way mass communication about a product or organization that is paid by a marketer. Lowland was first identified when Lockup was seen on Abs's Shark Tank. Lowland is currently using the website and blogs for advertising.

Adding another form like television or magazines can help the company communicate to a larger number of people at one time. Public Relation It is the marketing function that evaluates public attitudes, identifies areas within the organization the public may be interested in and executes a program of action to earn public understanding and acceptance. The company relies on personal contact with retailers to establish the products in their stores. This contact, whether in-person or by phone, helps convey the Lowland message, demonstrate the products' unique qualities, and build relationships.

During the next period, there will be sales representatives visit each store twice a year and offer in-store training on the features of the products for new retailers. Sales Promotion It is marketing activities - other than personal selling, advertising and public relations - that stimulate consumer buying and dealer effectiveness. Sales staff works with retailers to offer short-term sales promotions; Lockup fans entered drawing for a lockup, a straw replacement pack and a canvas tote bag for the first ten winners. In the future, Lowland may also offer free samples for fans or coupons through direct mailing.

A good idea will be offering a free replacement pack with every purchase of a Lockup. Personal Selling It is a purchase situation involving a personal, paid for communication between two people in an attempt to influence each other. Lowland uses their website on the internet to attract retailers and

consumers seeking information about their products. The company's promotional efforts are to differentiate their products from those of its interiors. This may be done through planned presentations in stores showing the unique features of the product.