

Integrated marketing communication plan for herbal fit marketing essay



**ASSIGN
BUSTER**

This report is a marketing plan for the new product “ Herbal-fit”, developed by HealthWorks. This is the first fitness related ready-to-drink product developed in the company. According to the research did by the marketing team 2 months ago, there is a growing trend and demand for this kind of healthy drink. Therefore, the R&D department had started to develop a new product based on the research and that it “ Herbal-fit”. The marketing plan is for 6 months, from January to June 2011. The report is will show the analysis of nowadays marketing situation, followed by the objectives, strategies, IMC plan. Also, the how the plan will be measured and critical successful factors will be discussed.

Company Background

In 1989, Ms. Jenny Ng had started “ Tong Zhi Tang”, which is a traditional Chinese herbal tea shop. In order to cope with the plan of global expansion and long term development, Ms. Ng decided to change the brand name to “ HealthWorks” in 2000. The new name represents “ a workshop aims for health”. The company is devoted to repackage Chinese medicine in a modern style to present to public.

HealthWorks participate in many aspect of developing Chinese medicinal natural nourishing product. It has wide ranges of product, such as Chinese herbal tea, herbal jelly, sweet soup, etc. Also, HealthWorks did integrate the traditional Chinese medicine with modern technologies to catch up with today society.

There are 25 HealthWorks shop and over 1, 500 point of distribution points for ready-to-drink products, included different supermarkets and convenient

stores. Also, HealthWorks received the Caring Company Award from 2003 to 2009, that it social responsible corporation.

Market Situation Analysis

3. 1 New Product Description

The new product named “ Herbal – fit”, it contains 13 kinds of fiber collect from different kind of vegetable and fruits, also several kinds of Chinese herbs. The functions of Herbal-fit is the improve digest system and reduce the absorbency after eating. It is a healthy keep fit drink, and people can drink it every day. The R&D department had considered that most people afraid of the bitter taste of herbs; therefore they had regulated the taste of Herbal-fits into a lemon taste and more tastes are coming after.

For the price of “ Herbal-fit”, originally it is HK\$10 per unit (120ml), however a promotional pricing will be adopted at the beginning to encourage trail and stimulate sales.

In the first month (January, 2011), “ Herbal-Fit” will only sale in HealthWorks stores, so that the salesperson can collect and receive customers’ comments, feedbacks and opinions immediately and directly. From the second month (February, 2011), it will start to sell in different convenient stores, like 7-eleven and Wellcome as other products do.

SWOT Analysis

Strength

“ HealthWorks” has a long history with a good reputation. All these years there were almost no negative report toward the company. People do have confident and willing to try the new product that develops by Healthworks.

Weakness

HealthWorks has never developed a product that is fitness related, the technologies are not well prepared. The Research and Development department does need to enhance the equipments in a short period of time. Also, for the first time to promote this product kind, the marketing team need to analysis the market detailed and closely monitor every step in the IMC plan.

Opportunity

In Hong Kong, there is a growing trend of being health-conscious and people had been outlook-oriented. However, Hong Kong is a busy city; most citizens are busy at work. Thus, there is a demand of ready-to-drink healthy drink in the market. Those soft drinks in the market contained high sugar level; it is not good for our bodies. Also, the eating habit of most Hong Kong people are not healthy, the eat lots of meat and little vegetable. Their digest system is not good and absorbing more than the body needed. Therefore, it is an opportunity to introduce a new product that improve digest system and decrease the amount of fat absorbed after eating.

Threat

In the market, there is a lot of healthy ready-to-drink product, it of them have its special functions. The marketing plan for the new product do need to pay more attentions on how to differential it from those and promote it to public.

Product Marketing Objectives

For the new product, “ Herbal-fit” we targeted to sale at least 80, 000 units in the first 3 months, in the following 3 months of the plan will be researched to at least 35, 000 units per month.

Secondly, as the company strategy is to increase use of online marketing, in this marketing communication plan will be increased to use of online marketing and promotion.

Marketing Strategy

Target segment

The targeted customers of Herbal-fit are aged from 18 to 40, mainly females. Those who are healthy conscious and outlook oriented but busy in work and/ or do not have much time to do exercises. Most of them are high school students or working class and able also will to spend. They do not have a good eating habit and the digest system needed to be improved. There would like to find and easy way to keep fit. The product is not created only for female; it is suitable for male too. However, as research shown that male are less frequency to purchase this kind of product.

Market Position

“Herbal-fit” will be positioned as a healthy keep fit drink, the product features, quality and price will be highlighted.

It is priced in a middle price compared with the other brands. The ingredients of Herbal-fit are natural and contain no quaternion. As the targeted customers are health conscious, they do look very careful of the ingredients. Therefore, a health natural ingredient will be highlighted throughout the promotion. Also, it is match with the brand image. Furthermore, even though it contains herbs, its taste is not bitter and is taste like juice.

Marketing Communications Plan

Basically, the promotion plan will be designed based on “consumer response processes”. It is important to understand how customers response to the marketing activities, so that the IMC plan will be effective and efficient. The IMC plan is going to be further elaborate in the following part and it is based on the best well known response hierarchy model “AIDA model”. Also, different media tools will be used and there are some joint promotions with other product from the company.

Collaboration with the other product line

There are some joint advertising will partnered with other product lines, like the new product Gui Ling Gummy Candy. We will do newspaper and magazine advertisement together, so as to decrease the cost.

Draw Attention from targeted audiences to “ Herbal-fit”

“ Herbal-Fit” will be available in the shop on 15th January, 2011. As “ Herbal-Fit” is a brand new product, first we need to draw attention from targeted customers to the product. We need to inform and tell them “ Herbal-fit is now in the market”.

Advertising is the most powerful tools to draw mass audiences’ awareness. About one week before the product actually sale in the market, magazine and newspaper advertisements will be used. Billboard, Roadshow advertisements and TV commercial will be followed by 3 days before the product is in the market.

Encourage Trial

After informing the public about the new product, we have to encourage them the try it. Sampling will be used in this part; because the unit value of Herbal-fit is relatively low and the purchase cycle is comparatively short. The newspaper and magazine advertisements will include a sample coupon, people can get one sample by bring the coupon to any HealthWorks shop. Customers can also download it from the official website. In Hong Kong, people are sensitive to the “ free stuff”, therefore it is an effective way to induce trail. Also, the coupons are printed with a bar code on it, so that it is easier for the marketing team to measure the effectiveness of advertising and the coupon.

Stimulate Sale

We will make use of sales promotion to stimulate the sales in the second month. The consumer-oriented side which is a pull strategy included the use

of coupons and bonus packs. From the trade-oriented side which is a push strategy, included point-of-purchase displays and training programs.

Customer-Oriented (Pull strategy): Coupons and Bonus packs

A “ Buy 2 Gets 1 Free” coupon will be given to customers when they buy the first bottle, in order to encourage repurchase. It is to target the price sensitive customers and continuous to encourage trial.

So as to promote another new product “ Gui Ling Gummy Candy”, a bonus pack as a bundle will be offered. A small pack of “ Gui Ling Gummy Candy” will be attached to the Herbal-fit. When customers are choosing drink, if they see the bonus pack may attract and stimulate them to purchase. In this way, two products will be tried.

Trade-oriented (Push strategy): Point-of-purchase displays and training programs

Herbal-fit will sale in different retail store also, therefore, encourage retail store to promote our product is consequential. POP displays, they act like silent salespeople to display the products. It can draw customers’ attention and stimulate them to purchase. From the retail store perspective, if all the POP displays are offered to them, they would be more willing to promote the product as they do not need to pay much effort to prepare those materials. Also, it can encourage them to order more store from HealthWorks to sale in the shop.

In order to provide more information and knowledge to resellers, training programs will be offered to them. Furthermore, it can make sure if customers
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ask the resellers for product information, resellers can answer back. So, customers may have even more confident to purchase.

Increase sales and encourage daily use by offering promotional pricing

To encourage daily use and large amount purchasing, a promotional price will be offer to customers if the purchase 15 bottles at once. The original price is HK\$10, under the promotional price it will be HK\$7. 5 per bottle. Also, customers can order it from the official website, it is the new function as mentioned previously. A free delivery service will be offered for the online ordering if they purchase 30 bottles at once.

Increase the use of online platform

Nowadays, online platform is also one of the effective and relatively low cost channels to do promotion and communicate with customers.

An official Facebook group of HealthWorks will be opened as a communication channel for all product lines with customers. This can be one of the channels for announcing sales promotion, special event or news to public.

Today, the advanced technology allows marketers to facilitate more online functions to communicate with customers. And, there is a trend to go online in the society, thus it is the time to renew the official web so as to follow the trend. The website will provide information, even ordering product. As the issue is related to the whole brand, another special marketing team and PRs will be responsible to this project.

After the new official website launched, the I. T. will work on create applications for mobile devices. It is a new way to draw attention and create noise for a brand. Also presenting a new image that HealthWorks creates fun for your lives.

Month

Communication Tools

Jan

Feb

Mar

Apr

May

Jun

Advertising

TV Commercials

Newspapers & Magazines



Sales Promotion

Sampling

“ Buy 2 Gets 1 Free” coupons

Discount coupons

Promotional Price

(For purchase large amount)



Personal Selling

In-store salespeople



Public Relation

Facebook group





Online Marketing

Official website

Application for mobile devices



Direct Marketing

Leaflets



Product Marketing Plan Budget

It is important for an IMC plan to have a clear budgeting plan for controlling and forecasting the spending.

Objective 1: Promotion budget of Herbal-fit

Advertising and online marketing major media tools used for the IMC plan.

These are the most effective tools to reach mass audiences and the cost per audiences is comparatively low. It is also included the cost of Point-of-purchase display, training programs, and other promotional materials.

Objective 2: Online marketing – Technological cost

As the company is go to expand the use of online marketing, the technological cost will be increased compare to the pervious IMC plan.

The total budget of Herbal-fit marketing communication plan will be about 1 million. As the chart shown the budget by monthly, the cost of the first three months is relatively higher. It is because in January and March of 2011 TV commercial will be used as one of the communication tools. Also, there are more advertisements on newspaper and magazines. For the last three months of the plan, online marketing and print advertisement will be the major tool used; therefore the cost will be lower.

On the other hand, the technological cost will be shared with other product lines promotion as this is a corporate project. So, the budget is lesser.

Marketing Effective Measurement Plan

It is an important job for a marketing team to measure the effectiveness of the IMC plan, so that can make sure the plan will run effectively and efficiently. Also, it can make sure whether the money spent worthy.

A post-testing will only be adopted as the cost of perform both pre- and post-testing will be very high. The IMC plan will be assess monthly and some data and reports are needed.

In order to measure the effectiveness of the use of coupons, all coupons (both printed on the magazines and newspaper, also download from official website) will have a bar code printed on it. When the customer uses the coupons, staffs need to scan it to record it in the computers. We will analyze the figures so as to see if the plan needs amendment.

Then, to measure the effectiveness of online marketing, the online advertisement click through rate, download rate and number of visitors of the official will be used.

Thirdly, is the measurement of sales promotion, the financial and sales report of before and after the sales promotion are used to compare the differences. The result is useful for pricing strategy and sales promotion planning.

Critical Successful Factors

Managerial Factors

As Herbal-fit is a brand new product of the company, managers needed to carefully monitor the quality control processes. It is important to make sure that it passes all the tests, so that customers do have confident to purchase the product.

Also, product knowledge is important for the front line managers. The information and knowledge have to be accurate as the response to the customers directly.

Disasters

The health issue is always concerned by Hong Kong people. Since, recent years, almost every year there was a new kind of disease. This has become the top priority issue in their mind. If there is any health issue coming up, customers may look for other products that can help to prevent it.