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**MRKT20052: Marketing Management and Digital Communications**

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Assessment 2: Marketing Plan

<<PatchStrips>>

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# Executive Summary

This report provides the marketing plan of Patch for their new product of Patch bandages. The organization has developed natural bandages made of organic bamboo fiber. The parent company is Nutricare. The organization aims to reduce environmental footprint by making organic patch strips for the wound.

The macro-environment is evaluated through PESTEL analysis and it provides a brief view of the external environment along with the growth opportunity for the product. The competitor analysis shows that Patch is competing with many big brands like Johnsons and Johnsons, Tensoplast, and Nexcare. The SWOT analysis helps to access the internal strength and weakness of the company along with future opportunities and threats for the company.

The customer analysis is based on the STP model where segmentation of customers of Patch has been discussed with targeting strategy. The positioning statement for the product projects how the unique features of Patch can attract more customers. The problem statement in the marketing plan highlights some problems which may be faced by the company. Three objectives are set to achieve within one year.

The marketing mix strategy includes product strategy, price strategy, place strategy, and promotion strategy. Both direct and indirect distributions are important for product selling to get more profit. Social media and digital media are used for advertising and promotional purpose.

The campaign evaluation evaluates each strategy and provides overall control measures for the marketing plan. It also states that a contingency plan is required if the marketing strategies do not work well.

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# Introduction

The parent company of Patch is Nutricare (Patch). The company was founded in the year 2016 by James Dutton. The patch is an incredible natural alternative for wound care. The company expands its business in more than thirty-five countries. The patch is trying to expand their business after launching of the natural wound strips- patch strips. Patch strips are made of bamboo fibers along with coconut oil, aloe vera and activated charcoal. Patch chooses natural ingredients which have benefits to soothe wounds fast. Patch strips are designed in such a way to be the most sensitive and natural wound care alternative in the market (Patch). The product ranges are made for children to adult people. Patch strips are latex-free, paraben-free, thimerosal-free and cruelty-free. The bamboos used in the making of patch strips are certified organic bamboos. Patch strips are hypoallergenic adhesive strips.

# Situation analysis

Situation analysis mainly assesses the internal and external environment of the business organization along with an idea of strong competitors of an organization.

## *PESTEL analysis*

PESTEL analysis analyzes political, environmental, social, technological, environmental and legal factors which provide an understanding of the environment. The organization can understand with the help of PESTEL analysis whether their business can get competitive advantages or not (Aithal, 2017).

|  |  |
| --- | --- |
| Political | * The political environment of Australia is partially linked with organizational performance. * Political influence is significant to the pharmaceutical industry of Australia. * The political situation in Australia is stable and it will influence the growth of Patch. * The trade policies are beneficial for the growth of the pharmaceutical industry like Patch. |
| Economical | * The inflation rate is high in Australia so the product prices are increased. It can affect the business condition of Patch. * The GDP of Australia has improved in the current financial quarter so this condition is beneficial for Patch strips. * The disposable income of consumers is increasing so they can buy products easily. * The unemployment rate in Australia is not increased since the last quarter so this situation may hamper the product sell rate. |
| Social | * Consumer purchasing behavior is changing. * Consumers now wish to purchase eco-friendly product thus Patch strips can get a competitive advantage from this. * Marketers cannot identify correct segments for product ranges and this situation is creating a gap between marketers and consumers. |
| Technological | * Advancing technology opens the door for research and development for pharmaceutical companies. * Customer awareness can be done by using social media platforms. * Promotions and advertisements are now done by using online platforms. |
| Environmental | * The Australian government now offering major concern on environmental factors. * Patch strips are organic products so it will gain a competitive advantage in the market (Jackson, Hussainy, & Kirkpatrick, 2017). * The Australian government encourages pharmaceutical companies to make eco-friendly and renewable products so Patch is in a good position. |
| Legal | * The employment regulations of the country may hamper the business of Patch strips. * The regulations regarding import and export of products in Australia are beneficial for Patch strips. |

**Table1:** PESTEL analysis of Patch Strips

**Source:** Created by the learner

## *Competitor analysis*

Though Patch strips are made of organic bamboo, aloe vera, charcoal, and coconut oil the company is experiencing tough competition from some strong competitors. The following table provides a brief view of the competitors of Patch strips and how Patch strips may face competition from them.

|  |  |  |
| --- | --- | --- |
| Competitor | Product Summary | Affect on Patch strips |
| Johnson & Johnson | Band-aid is brand of Johnson & Johnson. It is a wound care strip made of woven fabric, plastic (PVC, polyethylene or polyethylene), and latex strip. | Though the product is made of plastics the brand Johnson & Johnson is the strongest competitor in the market. |
| Tensoplast | It is a heavyweight elastic adhesive bandage. It is an Elastic Adhesive Bandage that helps control and reduces edema (swelling) by providing compression and support. | Tensoplast is a well-known brand for an elastic bandage. Patch strips will be affected by the product feature of the Tensoplast as it provides flexible support and strong compression along with superior stretch properties. |
| Nexcare | Nexcare bandages are made for different purposes like blisters, caregivers, hands, heels, hard to cover areas, kids, sensitive skins, sports, waterproof and heavy-duty. | Patch strips are made for cuts, scratches, abrasions, grazes, burns, blisters, bites, and splinters but the hard-to-cover area bandages are plus point of Nexcare. |

**Table 2:** Competitor analysis

**Source:** Created by the author

## SWOT analysis

A SWOT analysis includes strengths, weaknesses, opportunities, and threats of Patch strips.

|  |  |
| --- | --- |
| Strengths | Weaknesses |
| * Made of organic bamboos, aloe vera, coconut oil, and activated charcoal * Top-of-the mind product * Successfully differentiated from competitors for organic raw materials | * Similar products are available in the market * Only effective for superficial wounds or cuts |
| Opportunities | **Threats** |
| * Partnership with other big brands * Customer loyalty * Tie-ups with hospitals, clinics, colleges and schools | * High competition * Expensive raw material cost * Transportation cost is increasing * Availability of lower price substitutes |

**Table 3:** SWOT analysis

**Source:** Created by the author

# Customer Analysis

## Segmentation

The customer segmentation for Patch strips is based on demographic segmentation, behavioral segmentation, and psychographic segmentation.

* ***Based on demographics***

Demographic segmentation is based on customers’ age, gender, and income (Andaleeb, 2016). The age group of customers for Patch strips are 5 years to 70 years. Customers can be men, women, and kids. The income of the customers can be medium to high. The patch can segregate customers with the help of this segmentation.

* ***Based on customers' behavior***

Behavioral segmentation is based on usage frequency, brand loyalty, occasion, and benefits needed. The customers must recognize the benefits of using the product. They must purchase the products when they get hurt. The products are designed for customers who are looking for organic products. The patch can identify potential customers as per their purchasing behavior if they segregate customers according to their purchasing behavior.

* ***Based on psychographic***

Psychographic segmentation helps segregate customers after reading their mind. Patch needs to target customers who prefer eco-friendly products. Patchstrips are made of organic bamboo, charcoal, coconut oil, and aloe vera thus psychographic segmentation will be helpful for Patch.

## Targeting

Patch needs to target customers according to the segmentation profile. They must target parents of children, young adult and old adult both men and women. The patch strips for kids are specially designed for kids with special ingredients. Patch needs to target customers of 15-70 years as the parents of kids will be targeted instead of kids. The company provides natural wound care bandages made of organic bamboo fiber so that the products can attract more people. The targeting strategy will allow Patch to identify the demand for the products in the market place (Andaleeb, 2016). Among the environment-friendly people, organic products can be popularized.

## Positioning

The patch will form a positioning strategy based on segmentation and targeting. Positioning is an important part of customer analysis as this strategy will help place a product's image in the customers' mind. Patch needs to position its brand in a way to achieve a competitive advantage in this highly competitive market. They should position their product as the organic wound care solution for the people who are looking for eco-friendly products. Social media and digital media can be used in positioning strategy to create a connection with the targeted customers. Now, people spend most of their times in social media platforms so using social media will help attract customer more (DeSarbo, Blanchard, & Atalay, 2017). Good positioning strategy will help the brand to place the product into the customers’ mind so whenever they go for purchasing any wound care, they will first think about Patch strips (Tso & Wood, 2018). The patch will position Patch strips’ unique feature like it is made of organic bamboo and add ingredients like coconut oil, aloe vera and activated charcoal.

***The positioning statement for the product is that Patch strip is an organic bandage that makes healing fast and positive because it is made of natural ingredients. It will attract customers who are looking for natural wound care.***

# Problem statement

The main problem for Patch is customer awareness. Customers cannot get information about the products and this hamper product selling. Customers should get proper information of products through media campaign and ad campaign. The next problem for Patch is high competition. There are lots of strong competitors in the market and these rival companies grab the market strongly. The company is lacking efficient employees for product selling and campaigning. This situation is hampering the profit margin of the company.

# Objectives

The SMART (specific, measurable, achievable, realistic and timely) objectives of Patch are linked with the problem statement, situation analysis, and customer analysis. The marketing objectives of Patch are the followings:

***Objective 1: To increase customer base at the rate of 5% per month***

|  |  |
| --- | --- |
| Specific | To increase 5% customer base each month |
| Measurable | Patch targets to have a customer base of the total number of 350000 customers so 24500 customers will be increased every month |
| Achievable | The marketing team will take responsibility for increasing customer engagement at 5% each month. |
| Realistic | Customers are becoming more environment-friendly since they understand the benefits of using organic products. |
| Timely | This objective is should be attained within the 1 month. |

**Table 4:** Objective 1 table

**Source:** Created by the author

***Objective 2: To increase product sales at 10% rate each quarter***

|  |  |
| --- | --- |
| Specific | To increase product sale at 10% rate each quarter. |
| Measurable | 1000 of each variety products are targeted to be sold in each quarter. |
| Achievable | The unique materials of the product are expected to influence the purchase intention of customers. |
| Realistic | To increase product sell, Patch will use different types of promotional activities to reach out maximum numbers of customers. |
| Timely | This objective is expected to be attained within four months. |

**Table 5:** Objective 2 table

**Source:** Created by the author

***Objective 3: To increase 10% market share within this financial year***

|  |  |
| --- | --- |
| Specific | To increase market share by 10% in the next quarter with identifying investors who can invest in the company. |
| Measurable | Measurement of used for the objective is to organize promotional campaigns, meetings with big investors and ask about sponsorships in matches. |
| Achievable | The benefits and used ingredients will be highlighted while pitching the products in front of investors. |
| Relevant | Increased market share will allow the company to focus more on Research & Development of its product categories. |
| Time-Bound | 6 months |

**Table 6:** Objective 3 table

**Source:** Created by the author

# Marketing mix strategy

## Product strategy

The patch introduces natural wound care Patch strips with four different categories based on four different ingredients. The product ranges of Patch are Patch natural adhesive bandages for cuts and scratches, Patch coconut oil adhesive bandages for kids, Patch aloe vera adhesive bandages and Patch activated charcoal adhesive bandages. The Patch natural adhesive bandages are made of bamboo fiber. The USP of the brand is the natural alternative to wound care made of natural ingredients. Patch strips are made of 100% certified organic bamboo fiber (Patch). These bamboos are one of the fastest-growing and renewable sources. To make the product more natural, Patch strategically added extra natural goodness in the form of aloe vera, activated charcoal, and coconut oil.

## Price strategy

Patch has fixed the price in a way to compete with their rivals. Price penetration strategy will be beneficial for them as customers prefer to purchase the product at a nominal price. This strategy will attract the highest numbers of customers and fulfill the objective of increasing customer base (Fan, Lau, & Zhao, 2015). This strategy will also boost up the product selling as customers will be easily attracted towards their product for the unique product price (Akdoğan & Altuntaş, 2015). Customers will get organic bandages at a nominal price.

## Place strategy

Patch has already sold their products in 35 countries so the place strategy will mainly focus on the distribution channel of the product. They will use both direct and indirect selling. They will use direct distribution to make the purchase process easier for the customers (Kosaki, Pearce, & McGregor, 2018). In direct selling, customers can buy the product from the Patch website (Bahadir, Bharadwaj, & Srivastava, 2015). In this case, Patch can exercise complete control over the products. They will also use indirect selling method to engage third-parties in product selling and distribution method (Eshuis, Braun, & Klijn, 2013). They will engage retailers, salespeople, and online stores.

## Promotion strategy

The patch will use Social media and digital media platform for the promotion of the product. Different types of advertising methods will be used for product promotion. It will use both traditional and digital media advertising including newspaper advertisements, television advertisements, movie theatre advertisements, social media advertisements and hoardings (Dangelico & Vocalelli, 2017). Promotion for the Patch strips will carry out in the Facebook, Instagram, Twitter, YouTube, and Snapchats as people spend maximum time in these platforms (Chaffey & Ellis-Chadwick, 2019). This strategy will attract a high number of customers as well as the investors within a short time (Kuang, Jiang, Cui, Luo, & Yang, 2017). The most significant factor of this promotional strategy is that organizational effectiveness on the promotional efficiency helps to make the cordial relationship between company and customers and also with company and investors (Kotler, Burton, Deans, Brown, & Armstrong, 2015).

# Campaign evaluation

|  |  |
| --- | --- |
| Marketing mix strategy evaluation | |
| Product strategy | Research and development will be done again if there will be any negative feedback arrive for any of its category (Li, Chen, Zhang, & Jia, 2018). |
| Price strategy | Bulk purchase will offer attractive price (Liu & Lee, 2016). |
| Place Strategy | Direct selling will be the main objective for Patch as this will generate more profit than indirect selling (Lidstone & MacLennan, 2017). |
| Promotion Strategy | Promotional activity will add social media influencers, bloggers and vloggers to add extra value in the promotional activity (Rowley, 2017). |

**Table 7:** Campaign evaluation

**Source:** Created by the author

The patch will use control measures for the marketing plan. The marketers of Patch will use SugarCRM to have customers' details including personal details and product purchase details. They will use social media matrix for assessing customers' preferences, their choices and wants regularly (Usmani, Ali, Imtiaz, & Khan, 2019). This will help achieve more revenue.

The patch will use contingency plan to identify potential risk related to the product. The company will use the contingency plan to adopt any changes in product like the pricing or promotional activities and take a proper measurement. The contingency plan will be given to marketing and sales team members.

# Budget allocation

The budget for Patch strips will be $65000 for overall organizational development.

|  |  |
| --- | --- |
| Activity | Budget |
| Social Media Advertisement | $15000 |
| Digital Advertisement | $6500 |
| Traditional advertisements | $11000 |
| Training and development of the employees | $10000 |
| Recruitment of personnel for advertising and promotional campaign | $4500 |
| Research and development | $18000 |
| Total | **$65000** |

**Table 8:** Budget allocation

**Source:** Created by the author

# Conclusion

Thus, it can be concluded that Patch has the potential to grow in the market for its organic products. The environmental analysis identified the opportunities and threats for Patch in achieving competitive advantages. It also identified how the Patch strips are different from other competitors. The objectives identified in the paper can be achievable if the marketing mix strategies are adopted by Patch. The campaign evaluation evaluated all marketing strategies and provided control measures and contingency plan which will be used by the company. The estimated budget for the Patch was for overall marketing activities.

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