

## Marketing Plan for a New Business

### **Market Definition and Opportunity**

The demand for organically made treats in the industry has recently grown at a tremendous rate. More people realize that pets have various important uses that are extremely beneficial to them. Aside from being used for protection and guarding against intruders, they are therapeutic objects. People who are lonely or have stress issues are always advised to get pets to have an outlet to relieve their tension. Many more reasons have sprouted that have led more people to realize that pets are quite important in their daily lives. Therefore, the need to get food for these precious animals has subsequently increased over the years. In an age where almost every individual is obsessed with healthy eating, pets have not been spared from this growing trend. They are treated as a part of the family and are only given the very best. As such, many pet owners only want what is healthy and suitable for their cherished pets. It goes as far as looking at the type of food which they are given for consumption. Many pet owners are casting aside food that contains many chemicals for organically made products. The defined segment will include the company's primary target market. The secondary market will consist of people who are coming for the bakery's products since they are more affordable than most alternatives.

The sustainability of these market segments is relatively assured. First, many people are leaning more for organically produced products for their pets. People want them to have long lives so that they can be part of the family for as long as possible. The number of people in this niche is only going to increase therefore making it a safe bet. Moreover, the secondary segment is also sustainable since organic pet foods are cheaper than other alternatives. The fact that many pet owners will find it to be economically viable means that more people who are interested in costs will switch to the bakery's organic treats.

## **Competition and Other Influences**

The bakery will face serious competition from established pet food brands such as Mars Petcare Inc. and Nestle Purina Petcare. They happen to be the dominant forces in the industry, and it can be seen from the annual revenue which they generate. The former has an income of \$17 billion while the latter stands at \$11 billion (Pet Food Industry). The figures indicate that the two corporations have far-reaching networks throughout the market. However, the organic bakery has an immediate goal of only capturing the people within the area the business is located. Therefore, the company can react quickly to the needs of its clientele. Quick decision making will enable the market to have a favorable perception of the enterprise.

Another critical force that the new company needs to consider is the amount of government regulations in the industry. At the federal level, all pet foods need to be subjected to three institutions. They are the United States Department of Agriculture (USDA), Food and Drug Administration (FDA), and the Federal Trade Commission (FTC). The FDA is in charge of ensuring that food for humans and animals are fit for consumption by the intended animal. However, the bakery's treats do not need to have preapproval from the FDA before they roll out their products to the market. However, failure to comply with the stipulated regulations might lead to severe consequences. Therefore, it will be important for the new bakery to stay up to date with the latest federal regulations to ensure that business runs smoothly.

Moreover, the technological aspect of the industry is a significant force in the external environment. The bakery needs to make sure that they are using the latest production techniques that minimize costs and improve on quality to be successful. Additionally, they need even to try coming up with new techniques on their own that they can use as a competitive advantage over other businesses in the market.

## **Marketing Strategy**

An appropriate marketing strategy will be needed to ensure that the new bakery gets the necessary exposure needed. The enterprise does not want to have extensive reach in the immediate future, and the set target is to get locals and residents who live in the area and happen to be pet owners. Therefore, the cost which will be involved in advertising will be relatively minuscule. The opening of the new business will be posted on flyers which will be distributed to residents around. Also, banners will be placed on residential roads to notify the people of the grand opening and the location of the business.

Another marketing strategy which the company can employ is the use of trade shows. Many people tend to visit such events to see the kinds of products that are being made locally. If the bakery decides to showcase its products on such a stage, then it will immediately catch the attention of locals. If people realize that the product it is selling is of high quality, then they will be inclined to find out where the business is situated. Additionally, most people visiting the trade show will be locals who will form a huge percentage of the bakery's customer base.

In an age which is heavily reliant on the internet and its numerous uses, search engine marketing is an excellent way of promoting the company. The bakery will inevitably have to get a website where it will highlight the organic treats it has in-house. It needs to be easily gotten when keywords are entered to ensure that the web page is useful. It will create visibility to the bakery both on a local and global landscape. It is an activity which can be realized by using search engine optimization where the website will feature among the first results when it is searched online.

## **Market Research**

To identify the forces which are in play in the market, it is important to ensure that proper market research is done. First it is important to know what the clients in the industry want so as to make sure that the company ventures into the industry with full understanding of what is

taking place. The first means of conducting research on the pet treat industry was by carrying out interviews with people who own such animals. It was important to understand what they look for when they are getting food for their pets. One factor which repeated itself many times throughout the course of the interview was the fact that many wanted to get quality food products that could sustain their precious animals. Many consumers were concerned by the amount of chemicals and preservatives that are found in ordinary pet food. Therefore, most of them were leaning more for the organic alternative. The same sentiment was found in articles and credible websites which were focused on pet foods (Martin). Another important fact that was retrieved from the market was that animal owners were concerned about costs. The price of some of the animal treats was considered to be relatively steep. If an alternative type of food that was cheaper could be produced, it was guaranteed to be an instant hit among pet owners. Consequently, the market research pointed out that by having a product which was both organic and cheap, the bakery would be destined for success in the short and long term.

### **Sales Forecast**

The bakery is expected to sell its organic treats to pet owners in the area where it is operating. Therefore, the projected sale during the first year of operation is estimated at \$200,000. Since more pet owners are expected to convert to the organic alternative and more people to get pets, the sales numbers are expected to increase by a minimum of 10% for the next five years. Also, since more people will go to a local bakery rather than a global corporate brand, the percentage could be higher. After the five year period has elapsed, the rate of sales increase is set to drop to 5% since the market will be saturated. However, if the bakery decides to change its strategy and shed its local plan, the sales volume could increase further.

Concerning the overall market share in the industry, the bakery will have a negligible impact on the industry. It will concentrate its efforts on the local scene at first so as to establish how profitable the venture is. If it proves to be lucrative, enterprise, then additional funds will be

looked for through loans or savings to give the company added capital. However, in the short-term, the bakery's activities will have little impact in the industry.

Also, the company estimates that 70% of the company's sales will come from the primary target market. They are a group of people who are obsessed with the quality of life that their pets are receiving. The fact that the bakery has organic treats will be motivation enough to lure them. 20% of the sales will stem from the enterprise's secondary target of price-conscious consumers. The remaining 10% will be from sales resulting from other miscellaneous groups.