



# KapConsultants Marketing Plan Example



Client Name: ZMX Global, Inc.  
Brand: Bon Vivant: Organic Gourmet

By: Sean Doyle & Martin McDermott

*AB/MT219: Marketing*

## **SECTION I. THE BUSINESS**

### **Company Description**

Headquartered in New York City, ZMX Global, Inc. is a large global food company, operating in over 51 countries around the world. Most commonly known as a fine foods company, ZMX Global, Inc. has an impressively unparalleled portfolio of brands and products with an international appeal. The marketing philosophy adopted by ZMX Global, Inc. is a market-oriented approach, “meaning they assume that a sale does not depend on an aggressive sales force, but rather on a customer’s decision to purchase a product” (Lamb, Hair, and McDaniel, 2012, pg. 6). ZMX Global, Inc focuses on providing exquisite culinary products to consumers by being the top purveyor of premium quality ingredients to the finest food retailers in the world. One renowned brand owned by ZMX Global, Inc., known as Bon Vivant, provides the highest quality frozen foods in the retail marketplace. Bon Vivant produces frozen entrées to meet the needs of consumers in the market for frozen readymade meals. This marketing plan will present a new idea for an Organic Gourmet product line as an opportunity to fill a gap identified within the Bon Vivant product mix.

### **Business Mission**

According to the ZMX Global, Inc. (2012) website, the Business Mission for the Bon Vivant brand is on record as follows: “Our purpose is to expand the culinary palette of Bon Vivant customers by being the leading provider of exceptional frozen gourmet products in the global marketplace” (p. 1).

### **Company Values**

The ZMX Global, Inc. slogan is “Pure Wholesome Foods” (ZMX Global, Inc., 2012, p. 1). According to the ZMX Global, Inc. 2010 Annual Report (ZMX Invest, 2012) the company meets ethical and corporate social responsibilities as stated:

As a corporate member of the global community, we accept our responsibility to sustain and create social value for our stakeholders. We accomplish this through a foundational business culture of harmony that aligns our corporate values with nature and humankind. We are committed to producing only environmentally friendly products, adhering to governing laws and regulations, and making conscientious contributions to the communities in which we serve.

### **Unique Selling Proposition**

The Bon Vivant brand is already known for providing high quality frozen foods to the marketplace. This marketing plan presents a unique opportunity for Bon Vivant to add an Organic Gourmet product line to its mix of frozen food products (Lamb et al., 2012). An opportunity exists in the marketplace for a readymade, restaurant quality, Organic Gourmet product line of entrées made from the recipes of the finest chefs in the world. Each Bon Vivant Organic Gourmet entrée will be made with pure and wholesome ingredients indicative of old and new world cuisine. To deliver the message of Bon Vivant Organic Gourmet, famous chefs will be used in promotional efforts. This product line is unique to the marketplace in that it offers customers the benefit of eating restaurant quality gourmet organic food made from recipes of the best chefs in the world, right in the comfort of their own home.

The current slogan for the entire Bon Vivant product mix is: “Experience fine dining in the comfort of your own home. We enhance lifestyles, one family at a time.” The slogan for the proposed Bon Vivant Organic Gourmet product line is: “Bringing to families wholesome gourmet food from the chef’s kitchen to your table.”

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## **Global Vision**

Wholesome, organically grown gourmet food from the chef's table is now affordable through the Bon Vivant chefs' Network. This partnership between Bon Vivant and a group of world-renowned chefs seeks to bridge the gap between wholesome, organic, restaurant quality food and the family table. Our goal is to make fresh, wholesome, premium quality meals accessible to families across the globe.

## SECTION II. THE MARKETING ENVIRONMENT

The geographic market chosen to test market the Organic Gourmet product line is the State of New York. The Market research Department conducted secondary research to identify characteristics of the external environment that may provide opportunities or threaten the success of this new product idea in the marketplace. The results attained from scanning the external environment may benefit decision makers in the ZMX Global, Inc. organization when considering further investigation into the prospect of an Organic Gourmet product line as an addition to the Bon Vivant product mix.

### Social Environment

1. Changing role of the family: According Lamb, Hair, and McDaniel (2011), “the growth of dual-income families has resulted in increased purchasing power” (p. 41). There is a great opportunity for Bon Vivant to appeal to busy dual-income families with a restaurant quality, readymade, Organic Gourmet product line.
2. Time constraints: Time has become a highly desirable commodity for working professionals. With some individuals working upwards of two jobs, the Bon Vivant Organic Gourmet product line has great potential in the marketplace due to the convenience of such high quality readymade food items that can enhance the family lifestyle (Lamb et al., 2011).

### Demographic Environment

1. Generation X: According to Lamb et al. (2011), the Xer generation is comprised of busy working professionals that that have dual income family lifestyles. Based on this experience, they understand the convenience of readymade food. Lamb et al. stated that, “seventy-one percent of Generation Xer’s still have children under the age of 18” (p. 44). This can be an opportunity for Bon Vivant to appeal to the dual income Generation Xers with children.
2. Generation Y: According to Lamb et al. (2011), generation Yer’s are also known as the Millennial Generation, and “are already starting their careers and are making major purchasing decisions such as cars and homes” (p. 43). They are having babies and staying home more to care for children. They tend to shop in mass supercenters for convenience and variety. There is an opportunity for Bon Vivant Organic Gourmet to be promoted in supercenters to appeal to generation Yer’s on the basis of eating restaurant style food in the comfort of their own home to be with the family. Generation Yer’s are quick shoppers, so the packaging will need to be contemporary and attractive.

### Economic Environment

1. Cost of living: Bon Vivant Organic Gourmet will require customers to have a negligible amount of discretionary income to spend on this premium product. This will be a higher priced, quality food item that meets the needs of consumers with little discretionary income. The intention is to increase the quality of life.
2. Recession: The recessionary type economic conditions of the United States are a concerning factor to consider when launching a new product idea like the Bon Vivant Organic Gourmet product line into the marketplace. Due to the slow economic recovery that began July, 2009 to present, there is reason to believe that entering the market at a reasonable price level can potentially be advantageous through raising product awareness. Offering consumers the ability to purchase a premium product at reasonable prices during suppressed economic conditions can show consumers that Bon Vivant cares. This approach can build relationships during difficult economic conditions (Lamb et al., 2011).

## **Technological Environment**

1. Primary Market research: By conducting market research, it is possible for Bon Vivant to “find out what customers like and dislike about” the Organic Gourmet product line in comparison to other competitor products (Lamb et al., 2011).
2. Applied Research: It is recommended that the company use their state of the art frozen food manufacturing plant to conduct applied research on improving the production processes and quality of the new Bon Vivant Organic Gourmet product line. Such research may result in new product ideas, and may carryover to positively affect the quality and efficiency of production for similar products (Lamb et al., 2011).

## **Political Environment**

1. State Laws: States have different laws regulating business practices ranging from energy consumption to advertising. Some states even attempt to regulate the use of certain food ingredients such as trans-fats. This is a serious consideration for Bon Vivant when creating recipes for the new Bon Vivant Organic Gourmet product line. Ultimately, these regulations may affect the pricing of the product in the marketplace, and may ultimately create or deter competition due to cost factors involved with compliance.
2. Primary U.S. Laws Protecting Consumers: Although each consumer law is beneficial, they may increase product costs by requiring compliance. The Federal Food and Drug Act of 1906 and Food, Drug, and Cosmetic Act of 1938 protect consumers by requiring producers of food to comply with strict labeling regulations. The Consumer Product Safety Act of 1972 protects consumers by setting standards that require producers of food to meet specified safety standards in the manufacturing, packaging, and handling processes. Such regulations will increase legal and operational costs to Bon Vivant.

## **Competitive Environment**

1. Ponte Vecchio Frozen Gourmet: This direct competitor specializes in premium readymade frozen Italian cuisine entrees. The Ponte Vecchio brand has a unique selling proposition that offers the market traditional family style Italian cuisine. The threat from this competitor is minor if the Bon Vivant Organic Gourmet product line differentiates itself as wholesome restaurant quality cuisine (Ponte Vecchio Gourmet, Inc., 2012).
2. Fresh Harvest Frozen Meals: This direct competitor offers a variety of frozen gourmet entrees. The threat from this competitor is the labeling and different packaging used to depict fresh ingredients. Since Bon Vivant Organic Gourmet dishes will be made of high quality ingredients using recipes from famous chefs, a similar packaging and labeling approach may be advantageous in order to compete with the perception of premium quality frozen entrees like Fresh Harvest Frozen Meals in the freezer case (Fresh Harvest, 2012).

## SECTION III. THE CUSTOMER

### Customers

According to Lamb et al. (2012), customers make decisions based on the factors that influence consumer buying behaviours” (pg. 84). These factors include cultural, social, individual, and psychological influences that have a profound effect on the way customers make decisions. Customers of the Bon Vivant brand expect high quality frozen meals that help balance their cultural, social, individual, and psychological food needs. Bon Vivant Organic Gourmet will attract existing and new customers by appealing to the following four factors that influence consumer buying behaviour:

1. **Culture:** Bon Vivant Organic Gourmet customers will value the convenience of a readymade restaurant quality frozen meal. Customers associated with the middle and upper classes of the U.S.A. will be interested in purchasing the Organic Gourmet product line. Working and middle class customers will be attracted to this product because of the economic value and convenience factors, while the upper middle and capitalist class will identify with the novelty of world class meals prepared from the recipes of renowned chef’s featured on the packaging of the product.
2. **Social:** As stated by Lamb et al., “family is the most important social institution for many consumers, strongly influencing values, attitudes, self-concept, and buying behaviour” (pg. 91). Family influencers and decision makers will mutually find benefit in the convenience of this product due to time constraints. Organic Gourmet will have an advantage among family decision makers due to the quality reputation of the Bon Vivant brand as a household name.
3. **Individual:** Through the socialization process, Organic Gourmet can become a staple in the food buying habits of generation X and Y populations due to growing up in dual-income families that rely on convenience items and desire for fashionable quality items at reasonable prices (Lamb et al., 2012). According to Natural News (2012), eating and living the organic lifestyle is a growing trend that has a grassroots foothold in society, and individuals are making healthy living a primary part of their self-concept and an important part of their self-image.
4. **Psychological:** The way individuals perceive a product, motivation to buy, and their beliefs and attitudes toward the product are important factors that will influence the buying behaviour of consumers toward the Organic Gourmet product line. The wholesome organic ingredients, paired with the image of restaurant quality meals made from the recipes of world renowned chef’s at such reasonable prices will stimulate interest. The five senses will be used to stimulate interest in the Bon Vivant Organic Gourmet product line, and promotional efforts will focus on selective retention of the healthier quality lifestyle message that this new product line will portray in the marketplace. Consumers will be motivated to purchase this new product to satisfy their physiological and safety needs for sustenance, but will be self-actualized when able to eat healthy organic meals while meeting their budgetary constraints. The organic lifestyle is slowly becoming part of the belief system of many Americans due to the knowledge they are accumulating on the negative health effects of processed foods (Natural News, 2012). The Bon Vivant Organic Gourmet product line can become the health standard for consumers of readymade meals within the frozen foods industry if the brand image resonates with the personal standards of individuals, and meets perceived quality expectations (Lamb et al., 2012).

## Market Segmentation

The information gathered on the assessment of the external environment and factors that influence consumer behaviours of potential Bon Vivant Organic Gourmet customers, one market segment profile was developed as the most likely to be profitable and risk averse in the marketplace.

### Market Segment Profile #1: Health Conscious Family Oriented Professionals

<b><u>Bases:</u></b>	<b><u>Variables:</u></b>	<b><u>Explanation:</u></b>
Geographic Segmentation	<ul style="list-style-type: none"> <li>• Cities</li> <li>• Suburbs</li> </ul>	<ul style="list-style-type: none"> <li>• Professionals within the middle and upper class live within the cities and suburbs of the U.S.A.</li> </ul>
Demographic Segmentation	<ul style="list-style-type: none"> <li>• Age (1968-1995)</li> <li>• Income</li> <li>• Family Lifecycle</li> </ul>	<ul style="list-style-type: none"> <li>• Generation X will be most likely to purchase this product due to convenience, economics, and brand image appeal.</li> <li>• \$35,000-\$75,000 is the income range.</li> <li>• Married professionals in dual income families with one or more children.</li> </ul>
Psychographic Segmentation	<ul style="list-style-type: none"> <li>• Motives (Celebrity Appeal)</li> </ul>	<ul style="list-style-type: none"> <li>• The brand image of meals cooked from the recipes of world renowned chef's</li> </ul>
Benefit Segmentation	<ul style="list-style-type: none"> <li>• Health Conscious</li> </ul>	<ul style="list-style-type: none"> <li>• Individuals educated on the value of being healthy will benefit from this product.</li> </ul>
Usage-Rate Segmentation	<ul style="list-style-type: none"> <li>• Medium Users</li> </ul>	<ul style="list-style-type: none"> <li>• Individuals that will purchase and consume four (4) Bon Vivant Organic Gourmet meals per week.</li> </ul>

Other market segment profiles have been identified and will be forthcoming to create a multi-segmented target market strategy (Lamb et al., 2012).

## Target Market

The multi-segmented target marketing strategy is an ideal approach for the Bon Vivant Organic Gourmet product line. Because of the popularity of the Bon Vivant brand of frozen foods, it is desirable for the Organic Gourmet product line to cannibalize some of the sales of existing products to establish the new product line in the marketplace. The intention will be to build new business through promotional efforts that will ultimately result in increased sales for the new product line, and will indirectly raise awareness and build sales volume for the entire Bon Vivant brand of products. The market segment profile entitled the "Health Conscious Family Oriented Professionals" is the primary target market for the Bon Vivant Organic Gourmet product line. This market segment is growing and stable due to the widespread media attention on the importance of families being health conscious and eating well to reduce obesity and prolong life (PR, 2012).

## Positioning Strategy

The positioning strategy of the Bon Vivant Organic Gourmet product line is the unique features and benefits of a unique organic ingredients prepared using the recipes of world renowned chef's. The Bon Vivant Organic Gourmet product line will live in the mind of consumers as the healthy and wholesome alternative to readymade frozen entrées, a position that competitors have yet to realize as a viable opportunity in the marketplace. Aligning the product line with world-renowned chefs will further differentiate the product in the marketplace.

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## SECTION IV. MARKETING STRATEGY

### Product

This marketing plan proposal is intended to align the idea for a Bon Vivant Organic Gourmet product line with the sales goals and global vision of ZMX Global, Inc., and is consistent with the Bon Vivant branding concept. This new product idea offers an opportunity for Bon Vivant to further penetrate the competitive gourmet frozen food market, and to attract new customers to existing products. The idea for a new organic gourmet product line offering by Bon Vivant was identified by conducting primary data collection using survey and ethnographic market research techniques. An opportunity exists in the marketplace for a readymade, restaurant quality, Organic Gourmet product line of entrées made from the recipes of the finest chefs in the world.

As indicated by Lamb et al. (2012), this new product idea can differentiate the Bon Vivant brand as a lasting competitive advantage in the marketplace. Each Bon Vivant Organic Gourmet entrée will be made with pure and wholesome ingredients indicative of old and new world cuisine. This product line is unique to the marketplace in that it offers customers the benefit of eating restaurant quality gourmet organic food made from recipes of the best chefs in the world, right in the comfort of their own home. If accepted and approved by Bon Vivant leadership, this new product idea will advance to the idea screening stage of the new product development process. As suggested by Lamb et al., the organic gourmet product line will undergo concept testing by the ZMX Global, Inc. and Bon Vivant new-product committee in order to “get consumer reactions to descriptions and visual representations” of this new idea (p. 174). If the organic gourmet product line passes the idea screening process and is found viable, the idea advances to the business analysis, development, test marketing, and commercialization stages of the new product development process.

**Product description:** The demand for organic food items is intensifying as consumers in the USA desire to live a healthier lifestyle (Natural News, 2012). The Bon Vivant Organic Gourmet product line will initially feature five readymade frozen entrées, which includes the following:

- Pan Seared Wild Atlantic Salmon with saffron risotto and asparagus
- Grilled Free Range Chicken Breast with wild mushrooms and garlic mashed potatoes
- Chateau Briand on a bed of steamed spinach with garlic-rosemary roasted potatoes
- Roasted Pork Tenderloin in a honey Dijon mustard sauce, broccolini and wild rice
- Grilled Top Sirloin with shallots, candy beets and mashed Yukon Gold potatoes

A blend of classical and contemporary cooking techniques will be applied by world renowned chefs to prepare each of these dishes using top quality organic ingredients.

**Brand:** The Bon Vivant brand is a trademark of ZMX Global, Inc. The addition of the Organic Gourmet product line to the Bon Vivant family brand compliments the brand image by associating healthy and wholesome organic foods as an enhancement to the premium quality dishes already offered by Bon Vivant in the marketplace. The Organic Gourmet product line will build brand equity due to the perceived quality of fresh and wholesome organic ingredients used to satisfy the needs of those seeking a healthier lifestyle. Customers that already purchase Bon Vivant branded products will appreciate the addition of an exclusive and healthy product line, which may build brand loyalty, resulting in stronger brand equity (Lamb et al., 2012). The Organic Gourmet product line will be recognized by a unique chef coat and toque graphic symbol that is under development for review and consideration by the ZMX Global, Inc. and Bon Vivant new-product development committee.

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**Product classification:** Bon Vivant Organic Gourmet entrées are classified as a tangible good and will be sold as a consumer product. This heterogeneous shopping product is unique in the marketplace due to pricing, quality, features and benefits, but can be compared based on functionality, to other gourmet style frozen food entrées in the marketplace.

**Product features & benefits:** Two features and benefits will differentiate this new product idea in the marketplace. The most unique and important feature of the Bon Vivant Organic Gourmet product line is the use of wholesome organic ingredients in all preparations. According to PR Newswire, US (2012), organic food is in high demand, and food companies must embrace this growing trend to stay competitive in the marketplace. The benefits of eating organic may have positive health effects (Natural News, 2012). Another important feature of the Organic Gourmet product line is the convenience of a restaurant quality readymade frozen meal. Each preparation is made from the highest quality ingredients, and is prepared using recipes and cooking techniques of world renowned chefs. Customers benefit from having access to restaurant quality organic food in the comfort of their own home. These innovative features and benefits of the Organic Gourmet product line will appeal to early adopters and early majority adopters of new products. The early adopters are an important group of customers because they tend to be opinion leaders on lifestyle trends within their communities. The early majority adopters have credible reputations for making sound shopping decisions and can spread the word about this new product idea to the typically sceptical late majority and laggard type adopters (Lamb et al., 2012).

**Packaging:** The packaging for the new Bon Vivant Organic Gourmet product line will also be an important feature that will add to the allure and convenience factor of the product. The outer layer of the packaging will be colourful and attractive, each depicting a picture of the world-renowned chef that created the recipe presenting the bountiful meal in a fine dining setting. The inner layer of the packaging will be made of a non-stick aluminium bag that is designed to cook the meal before opening. The packaging design is a work in progress. Each package will contain 24 ounces of Organic Gourmet product.

**Product warranties:** Because the meaning behind the term *organic* can be unethically abused under some circumstances in the marketplace (Natural News, 2012), Bon Vivant should consider inserting an express warranty on the packaging of every Organic Gourmet product as a quality guarantee that each ingredient used in the preparation of every meal is 100% organic (Lamb et al., 2012).

**Product lifecycle:** The introductory stage of the product lifecycle for the Bon Vivant Organic Gourmet product line will be crucial to the overall success of this product in the marketplace. An awareness campaign using promotional methods such as advertising, public relations, personal selling, and sales promotion will be essential to stimulate demand. As suggested by Lamb et al. (2012), a new product should spend a short amount of time in the introduction stage in order to recoup investment, diminish the financial burden, and “dispel some of the uncertainty as to whether the product will be successful” (p. 182). Once through the introductory stage, Organic Gourmet will advance to the growth stage because sales growth will continuously increase over time, and profits become a reality. At this point, new competition offering organic readymade meals will be expected, which may negatively impact sales growth. When this occurs, Bon Vivant must aggressively use promotional efforts to differentiate the Organic Gourmet brand from the competition. If competition becomes fierce and sales growth steadily decreases, the Organic Gourmet product line may advance to the maturity stage in the product lifecycle. At this stage, heavy promotion will be a continuous necessity to maintain market share by attracting new customers and reminding loyal customers of their need and desire for the Organic Gourmet product line. If the declination stage becomes an imminent threat to the Bon Vivant Organic Gourmet product line, due to a steep decline in sales, and it is obvious that the conditions are unrecoverable, it may be necessary to withdraw the product from the market.

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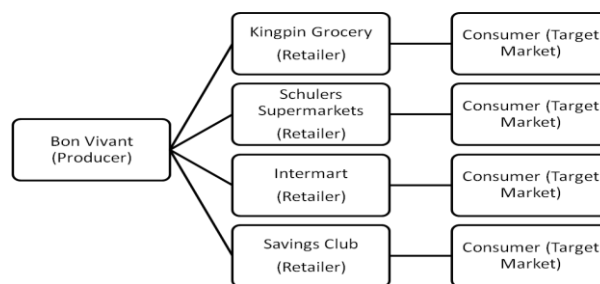
## Place (Distribution)

The topic of distribution for the Bon Vivant Organic Gourmet product line is as simple as it is complex, since the Bon Vivant family of readymade frozen foods has been in the marketplace for many years. The distribution channel and network of channel members has long been established.

**Marketing channels:** The channel of distribution for the Bon Vivant Organic Gourmet product line will follow the established distribution used for the entire Bon Vivant family of products. Channel members consist of various types of marketing intermediaries, such as brokers, wholesalers, and retailers. Each of these channel members are strategic partners that “facilitate the distribution process by providing specialization and division of labor, overcoming discrepancies, and providing contact efficiency” (Lamb et al., 2012, p. 202).

In regard to specialization and division of labor, each channel member has been chosen to handle certain aspects of the distribution/ for Bon Vivant in order to reduce costs and increase efficiency. For instance, strategic partners such as wholesalers are used to warehouse and transport inventory, while retailers are used to handle some promotional efforts and customer relations. To overcome discrepancies in inventory quantity, assortment, time, and space, brokers are used to build business-to-business relationships with various wholesalers and retailers in order to disperse and control product inventory for Bon Vivant. Each channel member will help promote and facilitate sales of Bon Vivant Organic Gourmet products in order for this product line to rapidly advance into the growth stage of the product lifecycle. An example of the channel members is depicted in the following subsection on channel structures (Lamb et al., 2012).

**Channel structure:** Bon Vivant maintains very close relations with major retailers in the northeast region of the United States of America. Within this region, Bon Vivant handles all distribution of its family of products directly to these retailers in order to maintain profitability. Transportation services are outsourced to three major trucking lines, but all sales are direct. The channel structure for the relationship between Bon Vivant and major retailers in the northeast region of the United States of America is as follows:



An example of the channel structure relationship between Bon Vivant and marketing intermediaries within the distribution channels outside of the north eastern region of the United States of America is as follows:



Bon Vivant is the producer of the Organic Gourmet product line, and relies on ANT Direct as a broker to act as the representative of the product in order to build business to business relationships with

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wholesalers like American Foodservices and retailers like Washbaum Supermarkets in order to reach the consumer. The target market strategy for wholesalers and retailers must be developed by the broker representatives and presented to the new-product committee for consideration. The wholesaler, American foodservices, facilitates the movement of the Bon Vivant products to the retailers like Washbaum Supermarkets. Retailers like Washbaum Supermarkets have established relationships with consumers in the target market that will become end users of the Bon Vivant Organic Gourmet product line (Lamb et al., 2012).

**Distribution intensity:** The Bon Vivant Organic Gourmet product line will be intensively distributed among all available retailers where potential customers may want to purchase the product. The goal of this type of distribution coverage is to make the product accessible in the freezer case for customers to purchase (Lamb et al., 2012).

**Supply chain management:** Bon Vivant is renowned for managing a very lean supply chain in order to maintain low inventory levels, facilitate efficient transportation, reduce the need for warehousing, lower packaging costs, improve customer service, and increase revenues. Managing and maintaining this effective supply chain will be imperative to moving the Organic Gourmet product line quickly into the growth stage in order to recuperate investment costs. This will be accomplished through the application of the eight key supply chain management processes, including [1] Customer relationship management process, [2] Customer service management, [3] Demand management, [4] Order fulfilment, [5] Manufacturing flow management, [6] Supplier relationship management, [7] Product development and commercialization, and [8] Returns management (Lamb et al., 2012).

The four most important business processes to the Bon Vivant Organic Gourmet product line includes customer relationship management processes, customer service management processes, demand management processes, and the product development and commercialization processes. Customer relationship management (CRM) processes are crucial to meeting the needs of “different customer groups according to each group’s long-term value to the company” (Lamb et al., 2012, p. 219). The Organic Gourmet product line will be well served by the established CRM processes that facilitate the interests of the Bon Vivant family of products. A primary focus of the CRM processes will be to build lasting relationships with the target market. Customer service management will be used to “ensure that those customer relationships remain strong” by responding to customer complaints, concerns, inquiries, or comments (Lamb et al., 2012, p. 220).

The demand management business process will be important to manage “supply and demand throughout the supply chain by anticipating customer requirements at each level and creating demand-related plans of action prior to actual customer purchasing behaviour” (Lamb et al., 2012, p. 220). This will help to reduce costs for the Organic Gourmet product line by means of efficiency and effectiveness in using customer data to forecast future demand, and for predicting customer desires for the addition of new or improved Organic Gourmet products. The product development and commercialization process will be most important to advancing the Organic Gourmet product line into the growth stage of the product life cycle by synergizing relationships and facilitating business transactions between channel members in order to enhance efficiencies, maximize profitability for channel members, and reduce costs.

**Managing logistics:** Managing logistics in the supply chain is about “orchestrating the physical means through which products move through it” (Lamb et al., 2012, p. 222). Organic Gourmet will be serviced through established logistical systems that handle distribution of all Bon Vivant products. These systems include sourcing and procurement of organic ingredients, production scheduling, order processing, inventory control, warehousing and materials handling, and transportation (Lamb et al.).

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## Promotion

**Promotional Strategy:** The promotional strategy for the Bon Vivant Organic Gourmet product line will rely on the four elements of the promotional mix, including [1] advertising, [2] public relations, [3] personal selling, and [4] sales promotion. The promotional strategy will be used to convince the target market that Organic Gourmet products offer a competitive advantage over any of the competition in the marketplace. The competitive advantages the promotional strategy will portray include a higher quality product, greater convenience, reasonable prices, restaurant quality food prepared by world-renowned chefs, and the unique organic ingredients offered in frozen readymade portions (Lamb et al., 2012).

**Promotional Goals:** The primary promotional goal is for the Organic Gourmet product line to reach the growth stage of the product life cycle within eight months from the time the product line is commercialized. This can be accomplished by using the AIDA concept, an acronym which stands for attention, interest, desire, and action (Lamb et al., 2012). To bring attention to the Organic Gourmet product line, an awareness campaign will be launched through the use of advertising, personal selling, and sales promotion. Personal selling will be used to build interest in Organic Gourmet by way of product demonstrations that will offer early adopters and the early majority a chance to see and taste product. Customers will desire this product because of the star power of world-renowned chefs that are featured on this product. This will be a major promotional centerpiece for use in advertising, public relations, and personal selling. There will be a great deal of actionable promotions for the Organic Gourmet product line through the use of sales promotions in advertising and personal selling.

**Factors Affecting the Promotion Mix:** There are various factors that may affect the promotion strategy for the Bon Vivant Organic Gourmet product line. These factors include the product lifecycle, target market characteristics, and the push or pull strategy employed.

**Product Lifecycle.** Although the primary goal of the promotion strategy is to advance the Organic Gourmet product line into the growth stage of the product lifecycle within eight months, the introduction stage must not be rushed. The introduction stage is a crucial point in the life of the Organic Gourmet product line. It's a time to raise awareness, build interest, make consumers desire the product, and to make the purchase it attractive enough for them to take action. This will be accomplished through careful and targeted promotional efforts using each element of the promotion mix. Once the Organic Gourmet Product line reaches the growth stage, intensive advertising and public relations will persist, but sales promotion will diminish in order to capture more revenue for a return on investment (Lamb et al., 2012).

**Target Market Characteristics.** The market segment profiles used for target marketing will help the creative team develop effective online and print advertising with promotional sales discounts that will attract consumers to purchase Organic Gourmet products. A blend of personal selling and public relations will be used to stimulate interest in the product within venues known to be populated by individuals within the target market (Lamb et al., 2012).

**Push or Pull strategy.** In the north eastern region of the united states of America, where Bon Vivant sells directly to retailers, a pull strategy will be used to promote the Organic Gourmet product line to target consumers in that region. In other regions of the United States of America, a push strategy will be employed. Marketing channel members such as brokers and wholesalers will be contracted to promote Organic Gourmet to retailers, and retailers will be encouraged to promote Organic Gourmet directly to the consumer (Lamb et al., 2012).

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**Integrated Marketing Communications:** Bon Vivant will employ an integrated marketing communication strategy that ensures the message reaching the consumer through each element of the promotion mix is consistent. Contact points, otherwise known to Bon Vivant as customer touch points, will be designed and tracked to monitor all promotion related interactions with the consumer. Metrics should be used to quantify message effectiveness and consumer receptiveness, while quality control measures should be implemented to ensure a consistent message is being delivered at all times (Lamb et al., 2012). The overarching message to be delivered using an integrated approach for all promotional mix elements derives from the slogan identified in the unique selling proposition, which is: “Bringing family’s wholesome gourmet food from the chef’s kitchen to your table.”

**Advertising:** Various types of product advertising will be used to build awareness of the Bon Vivant Organic Gourmet product line, including pioneering advertising, competitive advertising, and comparative advertising. Because Organic Gourmet is a unique new product in the marketplace, pioneering advertising must be used to stimulate awareness by providing in-depth information about the product features and benefits to the consumer. Competitive advertising will be used to boost sales when Organic Gourmet enters the growth stage of the product lifecycle, by emphasizing recall of the brand name, and “creating a favourable attitude toward the brand” (Lamb et al., 2012, p. 268). Comparative advertising will be used to directly or indirectly call attention to the differences between Organic Gourmet and the competitors (Lamb et al., 2012).

Three forms of media types will be used to deliver the message of the Organic Gourmet product line, including newspaper, television, and the internet. Advantages of newspaper advertising for the Organic Gourmet product line include geographic flexibility and timeliness of newspaper distribution. Sunday newspapers will be a primary advertising tool to distribute sales promotions. Television advertising will be used because of its ability to reach a wide, diverse audience. Additionally, television advertising is cost effective and gives Bon Vivant the opportunity to be highly selective of what channels the advertisements will air. The internet is the fastest-growing advertising medium that will allow Bon Vivant to narrowly target market segment profiles of interest (Lamb et al., 2012).

**Public Relations:** The use of public relations will assist Bon Vivant in evaluating the public attitude toward the Organic Gourmet product line, while “executing programs to gain public understanding and acceptance” for this new addition to the Bon Vivant family of products. Public relations activities that will be essential to the successful delivery of the Organic Gourmet message include press relations and product publicity. Press relations will be used to place positive and noteworthy information in the news in order to attract attention to the Organic Gourmet product line. Product publicity will be used to publicize Organic Gourmet using presentations and appearances by the world-renowned chefs that belong to the Bon Vivant chef’s network. The chefs will discuss and explain the Organic Gourmet product concept to the public on television shows, in public venues, and at charity events.

**Sales Promotion:** The use of sales promotions will include short term incentives intended to motivate consumers into making a purchase. Coupons and product sampling will be the primary types of sales promotion used to deliver the Organic Gourmet message, and to build immediate interest in the product. Sunday newspaper advertisements will contain attractive coupons, while Organic Gourmet product representatives will provide product samples to wandering shoppers at retailer locations.

**Personal Selling:** Personal selling will take place during events at retailer locations, where professional cooks will engage consumers at cooking demonstrations featuring the Organic Gourmet product line. Direct incentives to buy the product will encourage purchasing behaviours, and product representatives will be on site at each event to take questions and handle any objections consumers may have. Delivering a consistent message and closing the sale will be the primary goal at these personal selling events.

**KapConsultants: Disclaimer:** The organization and characters depicted in this exercise are fictional. Any resemblance to real organizations or individuals is purely coincidental.

## Pricing

**Pricing objectives:** The primary pricing objective for the Bon Vivant Organic Gourmet product line is to focus on profit maximization, which is concerned with “setting prices so that total revenue is as large as possible relative to total costs” (Lamb et al., 2012, p. 302). The novelty of a restaurant quality, readymade organic frozen food product line will be perceived as a high priced item, and a slightly higher price will be expected due to the premium cost of organic ingredients. However, the goal is to offer Organic Gourmet at an unexpectedly reasonable price level, slightly above the base price of other Bon Vivant entrées in order to attract both new and existing customers.

**Determinants of Pricing:** To determine the price of Organic Gourmet products, a cost approach is most appropriate due to the volatile nature of the costs associated with organic raw food ingredients that can fluctuate due to market conditions such as seasonality, natural disaster, supply, and demand. The Organic Gourmet product line will be priced using the mark-up pricing method, which is concerned with adding the expected profit and variable expenses to the cost of manufacturing. This is possible due to Bon Vivants ability to purchase large volumes of ingredients used to produce mass quantities of product that can be disbursed and warehoused throughout the marketing channel. Keystoning may be used to double the cost of the product in order to maximize profits and avoid extraordinary cost hikes due to unforeseen circumstances in the supply of organic food items or increased transportation costs due to gasoline hikes, etc... Keystoning is a common practice in the introductory stage of the product lifecycle, and leaves room for deflation of prices during the growth and maturity stages of the product lifecycle if a pricing war is imminent due to fierce market competition (Lamb et al., 2012).

**Pricing strategy:** A status quo pricing strategy will be employed to introduce the Organic Gourmet product line into the marketing place. A status quo pricing strategy involves setting the price of the product at the going rate of other readymade, frozen food items in the market. A slight mark-up will appropriately increase the price due to the perceived value of the product. Because keystoning is a benchmark practice among competitors in the readymade frozen food market, the known disadvantages associated with status quo pricing are a mute point. The highest variable costs of production will be considered and doubled to price Organic Gourmet products, along with a premium mark-up that is warranted for organic ingredients. Additionally, due to the nature of higher cost organic ingredients, a product line pricing strategy is not possible since other Bon Vivant products are not subject to the express warranty on the use of organic ingredients (Lamb et al., 2012).

**Ethical and legal considerations related to price:** Because a status quo pricing strategy will be applied to Organic Gourmet products, ethical and legal considerations must be made to avoid accusations of price fixing by competitors or consumers alike. To justify the pricing strategy, in-depth research on market conditions and competitor pricing must be conducted to benchmark the status quo base price. Another ethical and legal consideration to be considered is the issue of predatory pricing. “Predatory pricing is the practice of charging a very low price for a product with the intent of driving competitors out of business or out of market” (Lamb et al., 2012, p. 324). Because Organic Gourmet will be priced competitively low to corner the market as the only organic readymade frozen food entrée offering in the marketplace, new entrants will be hard pressed to enter with a similar product at this level of pricing. Therefore, it is necessary to keep strict records that prove Bon Vivants competitive advantage due to streamlined and efficient sourcing and procurement abilities in order to avoid accusations of predatory pricing (Lamb et al.).

**Base Price:** The base price of a Bon Vivant Organic Gourmet entrée will be set at \$6.89 per 24 ounce packaged item. Discounts will be available through promotional sales tools such as coupons that offer

quantity and cash discounts to the consumer. Functional discounts and promotional allowances will be offered to brokers, wholesalers, and retailers in an effort to boost sales.

**Pricing Contingency Plan:** Because the economy is prone to inflation and recessionary periods, it is necessary for Bon Vivant to have a contingency plan that ensures pricing is flexible enough to adjust to economic trends and conditions. To combat inflationary conditions, cost-oriented tactics such as escalator pricing will be implemented. Escalator pricing is “a price tactic in which the final selling price reflects cost increases incurred between the time the order is placed and the time delivery is made” (Lamb et al., 2012, p. 333). Cost cutting measures such as renegotiation of contract terms and conditions, sourcing strategies, volume purchasing strategies, and operation cost cutting must be considered to maintain profitability if maintaining a steady price is required to counter inflation. “A recession is a period of reduced economic activity such as occurred in the United States in 2007-2009” (Lamb et al., 2012, p. 333). These unfortunate times call for drastic measures. Decreased sales and higher rates of unemployment are seemingly inevitable under recessionary conditions. Depending on demand for the Organic Gourmet product line during such recessionary conditions, it may be necessary to use tactics such as reducing the portion size and price of the product, while maintaining desired level of profitability. Contract renegotiations and paring down suppliers to improve economies of scale in the distribution channel are strategies that must be considered to maintain the Organic Gourmet product line during recessionary periods (Lamb et al., 2012).

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