Pricing strategy:

In the next round, we anticipate the pricing strategy of other company will remain status quo. i.e. Turbo and Fresh will further reduce their price. As a result, to maintain our current leading position in operational revenue, we’ll further **reduce our price from $6.5 to $6.**

Marketing strategy:

1. **Product features (pod & odour elimination):**

Our focus is to maintain our customer under the current price war in the following year. As a result, we will not change our formulation or production，and keep it as Pod& odour elimination. This is because frequently changing formulation will cause customer recognition confusion. Besides, Pod&odor elimination has the highest customer demand under the current target market segment.

1. **Income(Below39999)**:

We decided to target low-income customer groups in the following year, as they are more price sensitive. Also, those two segments capture around 2/3 of the total customer population with high marketing potential. In addition, customer from the wealthier class demonstrates high stickiness to Turbo, which is less likely to be attracted by price reduction.

1. **Region (Southeast, central)**:

Based on historical data, we achieved great success by targeting Southeast and Central regions in 2019(~50%increase in total demand), whereas marketing focus on Northeast&West in 2020 did not increase sales by much (only 4%). Although one potential reason is Turbo&Blue started a price war in 2020, which mitigate our advertising influence, we still decide to target customers in Southeast&Central only in this round. This is because customers in Northeast&West exhibited a strong preference toward Turbo. In contrast, customers in Southeast&Central does not show any obvious brand-preference towards any particular brand and relatively more straightforward to be attracted to.

1. **Age (Under 44)**, **Household size(no specific focus)**:

In the last time, we targetted <44 age group and household size <=3, this lead to twice increase in social sentiment positive feedback(increased from 16% to 37%). After further analysis, we found that people in lower age group demonstrated a strong preference towards our brand( as the first preference), especially after filtering by our targeted Southeast&Central region. As a result, we would like to maintain our age focusing strategy as previous round (keep it as under 44). Whereas by varying household number, we do not observe significant preference on sales under our targeted market, hence we decide to not focus on any household size in this round.

1. **Ethnicity (no specific focus):**

we do not focus on any ethical group according to customer demand composition.

Trade channel & media spending:

We continued our budgeting strategy as in previous years and did not alter any percentage composition. Please refer 2020 summary for the calculating methodology.

1. Trade channel bugetting: 27% for convenience, 27% for club, 24% for mass, and 22% for grocery.
2. Media spending: 31% for digital ads, 24% for radio, 24% for tv, and 21% for print.

Demand forecast:

We forecast 20% demand growth rate 20%. This lead to forecasted 2021 demand 60M, with 5M inventory on hand 5M, we decided to produce 55M for the next year.

Predicting reasoning:

Our demand increased from 32M to 48M by around 50% in 2019, and from 50M to 52M in 2020 by 4%. As discussed above, there are two potential reasons for the diminishing demand growth rate: 1. Advertising focus at 2020 did not provide positive feedback than we supposed. 2. Turbo and Blue started price war with us. After considering the above two reasoning, and the fact that we can carry on any excess inventory to next year, and we want to mitigate sales reduction risk due to production shortage as much as possible. As a result, we anticipated 20% growth rate in total demand, and produced 55M.