

Multipurpose Survival Cane Marketing Plan

(MIGB 6710 - Costomer-Driven Marketing)

Team 5

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EXECUTIVE SUMMARY

Our product (we name it “Multica”) is a cane with several features helping hikers with outdoor survival. After finishing macro environmental analysis, we found plenty of facts that predict a positive prospect for our product. First, Americans love to participate in outdoor activities, especially for those millennials, high-income groups and people in California, Washington State, Oregon, Michigan, Texas, New York, and Colorado (which are also defined as our target market). Moreover, there is a growing demand for outdoor equipment, trekking poles included. Besides, our all-in-one features just fit in trends on versatile products and concerns about safety for outdoors activities. However, we also need to be worried about increasing the cost of raw materials due to the US-China trading war and have to face our obstacles to attract our potential customers.

As a survival tool, we deeply understand customers’ need for safety and convenience. Thus, our mission is to provide aid at hand anytime while taking outdoor activities. After exhaustive research for industry and competitors, we learned that most of the trekking poles are not advanced in attached functions, and yet those with high quality are also far expensive. Though we also realized that our nine functions could not wholly replace professional tools (which are seen as our indirect competitors), we perceived that our chance is to position our trekking poles as high quality with a skimming price strategy of \$99.5. And our financial objective is to gain 2% of market share in three years, while the non-financial objective is to enhance 50% of brand awareness in the market.

As for other marketing mix parts, we used a hybrid channel strategy to sell, planned to invite Jeff Probst as our spokesman, and mainly use online channels and stress partnership for promotion.

The product we chose for final project is a cane with several features helping hikers with outdoor survival. To conduct an effective marketing initiative, we carried out detailed environmental analysis first and then came up with decisions on our product primarily on marketing-mix (4Ps).

MACRO ENVIRONMENTAL ANALYSIS

Currently, canes are identified as one of the items in the trekking pole market. For people who love hiking, trekking, and mountaineering, trekking poles are essential gears to start. Thus, in our macro environment analysis part, we follow the trends in America and especially keep a close eye on the outdoor recreation market.

Demographic factors: outdoor activities, especially hiking, are increasingly popular.

Since the years following World War II, with the increase of personal income and leisure time, outdoor activities scarcely stopped gaining popularity. It's firmly bounded with urbanized society as the best cure for the stresses of modern life.

- As for today, 146.1 million Americans over 6 old, which equals to 49.0% of the US population, participated in an outdoor activity at least once in 2017 (Outdoor Foundation Association, 2018, p.3).
- Hiking remains the fourth most popular outdoor activity in the US from 2016 to 2017. The number of participants in hiking in 2017 corresponds to 44.9 million, a growth of 6.4 percent over the prior year (Outdoor Foundation Association, n.d.).
- What's more, even 46% of Americans who did not participate in outdoor recreation had a desire to start participating (Outdoor Foundation Association, 2018, p.10). These all reveal a significant opportunity for the trekking pole business to expand.

Furthermore, considering several demographic factors in details, we try to draw a potential user profile referring to groups with a high participation rate.

- **Millennials(age).** *Millennials* refer to people who were born between 1981 and 1996 at the age of 21 to 36 in 2017. A Report (National Sports Goods Association [NSGA], 2017) has shown that people at the age of 25 to 34 account for the largest population participating in hiking (as shown in Fig 1.). Precisely, the group between 25 to 34 years old comprises 15.4% of the total population in the US and 18.8% of them participating in hiking.

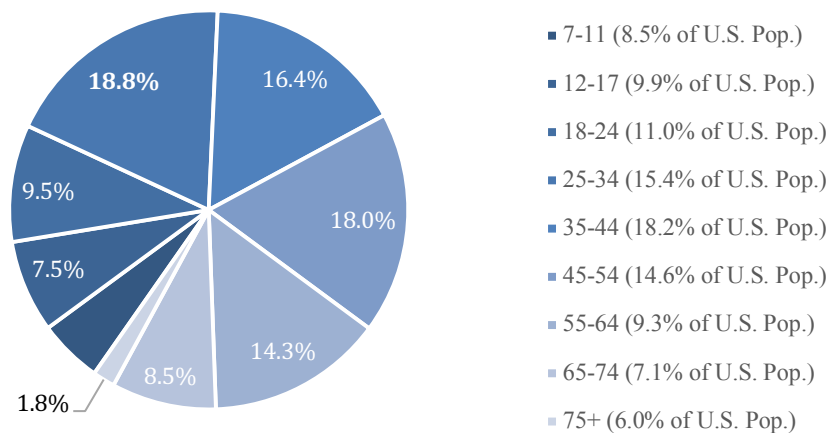


Figure 1. Hiking Participation by Total Age Group in US (2017)

- **High income.** Individuals with high income tend to participate in hiking. Statistics (Physical Activity Council, 2018, p-12) have shown that the level of income affects people's inactivity in outdoor activities. U.S. households of income less than \$50K are over the years increasingly becoming inactive, in other words, the proportion of the population not involving in high-adventurous activities has considerably increased according to the household's income, while the percentage of inactivity with over \$50K household income is decreasing (as shown in Fig 2.). What's more, according to the report by NSGA (2017) aforementioned, households of income are \$50k or above per year have the highest participation rate, and even 50.1% of the

people with over \$75k household income per year participated hiking. However, only 7.3% of individuals with less than \$15k households income per year once went hiking.

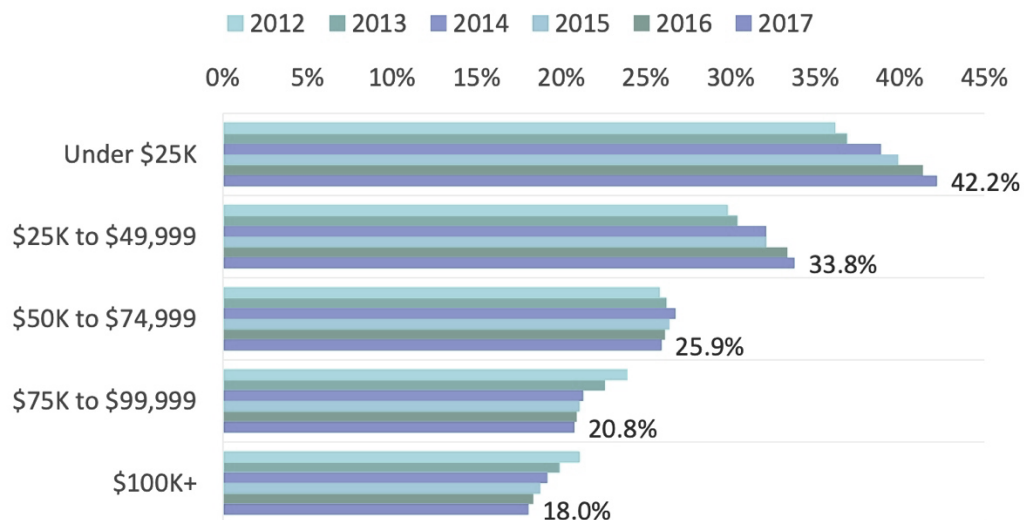


Figure 2. Inactivity Rates of Outdoor Activities Segmented by Income (US Population, Ages 6+)

- **Seven states (Geographic position).** California, Washington State, Oregon, Michigan, Texas, New York, and Colorado are the top seven places where hiking activities are most popular, respectively with 22%, 11.55%, 6.82%, 4.99%, 4.46%, 3.94%, and 3.67% in terms of participation.

Economic factors: declining unemployment rate and growing disposal income predict an increase of consumption on outdoor activities.

- It is cheerful (U.S. Bureau of Labor Statistics, 2018) that in September of 2018 the unemployment rate in the US reaches the lowest of 3.7 percent since December of 1969 (Fig. 3). To be more specific, there are 795,000 persons in this year regain jobs, which means there are extra potential customers likely to spend money on outdoor equipment and people will feel safer about their economic condition to increase consumption on recreation activity. Also, the disposable income per person reaches the highest number since 2000, which is \$39,155 (U.S. Bureau of Labor Statistics, 2018).

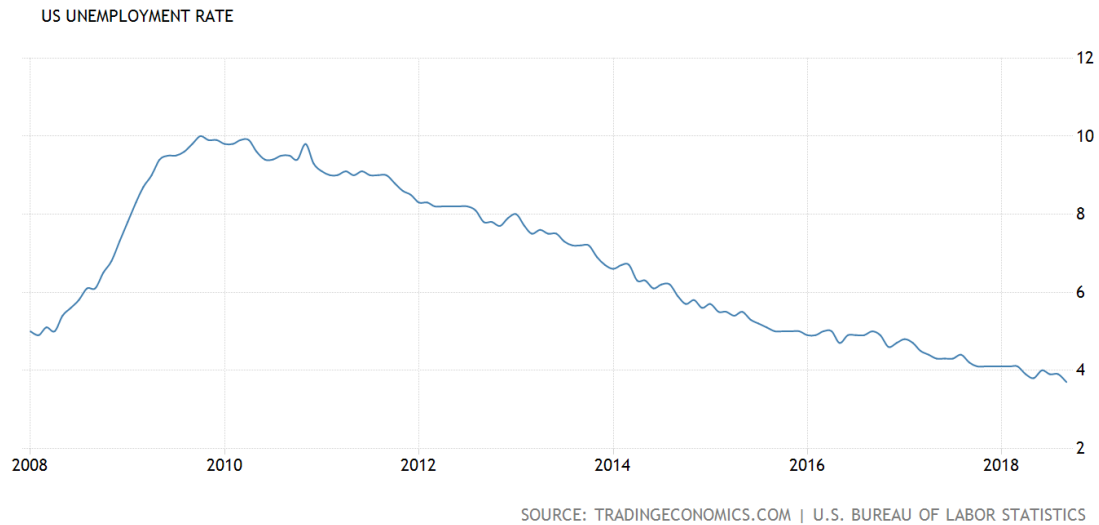


Figure 3. US Unemployment Rate from 2008 to 2018

- Thus, it's not surprising that people spend more on other things besides necessities, which suggests an increase of demand on recreational activities.
 - The percentage of entertainment spending on the total income is increasing each year from 2015 to 2017. In 2016, people spent 6.1% more than they spent in 2015 and in 2017, people spent 10% more than they spent in 2016 (U.S. Bureau of Labor Statistics, 2018).
 - Besides, from 2009 to 2017, real personal consumption expenditures on sports and recreational goods is increasing and outdoor recreation industry is also very promising when looking at the all industries in the US. Between 2015 and 2016, Real GDP of outdoor recreation is increased by 1.7% while that of the overall economy is increased by 1.6%% (BEA, 2018). The growth rate of outdoor recreations is faster than the overall economy.
 - Furthermore, when looking specifically into the outdoor activities (IBISWorld, 2018) from 2013 to 2018, hiking & outdoor equipment stores industry grows at the annual rate of 1.6%, and the first four activities that generate the most GDP are fly fishing,

game areas (including golfing and tennis), RV camping, guided tours (BEA, 2018). Expect for hiking, people who like to go fishing or RV camping are likely to purchase trekking cane as well.

- As for the exact category of trekking poles, according a report (The NPD Group, 2018) which reviewed the sales within the core U.S. outdoor industry in 12 months ending April 2018, trekking pole pairs grew sales by 5 percent. Therefore, if our product performs well, we can benefit a lot from this blooming industry.

Cultural factors: Concerns about safety and convenience are two of the priorities while taking outdoor activities.

- When you search “hiking” in Facebook, most of the information are news about looking for missing people who went to hiking. Thus, there are many professional associations giving advice on how to survive and sharing cases online. Importantly, these articles are also combined with recommendations on products, with which people successfully got out of trouble and survived. According to the comments on these articles, readers tend to believe that these tools are reliable and trustful. All in all, it’s important for a new brand to have reputation, especially on safety and assistance, comparing with brands people already know.
- It’s said (The NPD Group, 2018) that “growth areas in apparel sold within the core outdoor channels suggest consumers’ affinity for versatile products due to convenience”. It may also imply customers’ preferences for multi-functional gears in the future. Also, nowadays, suggestions on selecting trekking poles (Skach, 2018) says that the weight is the biggest consideration apart from comfort, since normally trekkers tend to lift their hands thousands of times a day and more than 10000 times in a long trip. With all-in-one functions with light material, our product is an ideal choice for hikers.

Nevertheless, there are also some negative factors for our products to be considered.

First, the cost of making trekking poles are increasing due to the US-China trading war. The main materials for trekking poles are aluminum and rubber. The shaft is made of aluminum and the tip is made of rubber to help people walking easily. However, according to the recent published U.S policy (Bryan,2018), the U.S is going to levy 25% tariffs on \$200 billion worth Chinese goods, among them including aluminum and rubber. Second, the outlook of products except for functions is important to millennials (Gracery, 2015) Since they are defined as influencers, it's important for brands following up or even leading the new trends. While as for our product, they tend to realize it a high-quality, but “ugly” products. While it may have a negative effect on our launch in the market, especially for millennials.

Simplistically, we summarize our opportunities and threats as follow.

Opportunities

- High participation in outdoor activities, especially hiking.
- Growing potential capability of spending on outdoor recreation, outdoor equipment and trekking poles.
- Intense concerns about safety among outdoor enthusiasts.
- Trends on versatile products for convenience.

Threats

- Increasing cost of raw materials due to the US-China trading war.
- Lack of influence on brand image and attractive appearances for millennials.

STRUCTURE OF INDUSTRY

1. Products of Current Market

In the trekking poles market, there are canes used for hiking, trekking, skiing, and mountaineering with various types and functions. Regarding the product type, the telescoping, fixed and folding are the primary product types in the present market, in which brands Black Diamond, Leki , and Komperdell dominate the market (as shown in *Table.1*).

Table 1. Trekking Pole Comparison Table

Product Name	Price	Type	Lock	Weight	Shaft	Grip	Length*
Leki Micro Vario Carbon DSS	\$220	Folding	Lever	17 oz.	Carbon	Foam	15.5 in.
Gossamer Gear LT4	\$191	Telescoping	Twist	9 oz.	Carbon	Foam	33 in.
Black Diamond Alpine Carbon Cork	\$170	Telescoping	Lever	17 oz.	Carbon	Cork	25 in.
Black Diamond Distance Carbon Z	\$170	Folding	N/A	10 oz.	Carbon	Foam	16 in.
Leki Micro Vario Ti Cor-Tec	\$140	Folding	Lever	19 oz.	Aluminum	Cork	15.5 in.
Leki Corklite	\$140	Telescoping	Lever	18 oz.	Aluminum	Cork	26.4 in.
Black Diamond Trail Pro Shock	\$140	Telescoping	Lever	21 oz.	Aluminum	Foam	27 in.
REI Co-op Flash Carbon	\$139	Telescoping	Lever	14.8 oz.	Carbon	Foam	27 in.
Black Diamond Trail Ergo Cork	\$120	Telescoping	Lever	18 oz.	Aluminum	Cork	29 in.
REI Co-op Traverse Power Lock Cork	\$100	Telescoping	Lever	20 oz.	Aluminum	Cork	27 in.
Black Diamond Trail Back	\$80	Telescoping	Lever	21 oz.	Aluminum	Rubber	25 in.
Mountainsmith Halite	\$80	Folding	Lever	21 oz.	Aluminum	Cork	16 in.
Montem Ultra Strong	\$50	Telescoping	Lever	19.2 oz.	Aluminum	Foam	24 in.
Cascade Mountain Tech Carbon Fiber	\$45	Telescoping	Lever	16 oz.	Carbon	Foam	28 in.
Kelty Upslope 2.0	\$40	Telescoping	Twist	18.5 oz.	Aluminum	Foam	25.5 in.
BAFX Products Anti-Shock Poles	\$21	Telescoping	Twist	24 oz.	Aluminum	Plastic	26.5 in.

* The listed length is the minimum or collapsed length for the trekking poles.

However, for poles with relatively innovative multiple functions, they are usually the ones with built-in LED light. Many Chinese technology companies are working on new patent applications for much more creative poles with various functions, such as Heart Rate Measuring, the barometer, the thermometer, and the compass functions. When technological improvements

are considered a key driver of sports equipment sales, poles with advanced features tend to be more popular.

Also, as mentioned before, most customers prefer anti-shock, durable, lighter hiking or trekking gear, because trekkers are easily feel fatigued with the add-up weight. Therefore, aluminum and carbon fiber become the two most common and principal materials.

Thus, it can be seen that considering the welcomed characteristics of the products on the market and potential competitive products, our light, durable product has advantages on multiple uses (fishing, lightning, igniting, aerial flaring, SOS strobe light), taking our potential customers' considerations into account when easing adventurers' packs. Likewise, our product is a competitive item, as we mainly use aluminum (a kind of light and durable metal) to reduce the total weight of the cane.

2. Prices of Current Market

Generally speaking, the price of trekking poles is inexpensive and between \$20 and \$100, but these trekking poles would be basic. For products with higher quality, more features, and well-known brands, the price mostly goes up to about \$100-270, and be regarded as high-end goods usually made from carbon (as shown in *Table 1*). As such, as a sports equipment of a sort of outdoor activities whose participants are mostly households with high income (as mentioned in macro environmental analysis chapter), and with so many practical functions, the price of our product should be reasonably higher than some unknown small brands and cheap products.

3. Distribution Channels

Overall, the distribution channels selling outdoor equipment are usually the big box of sports goods, DICK'S and REI, for example, specialty shops, and even some big-name general

retailers, such as Wal-Mart. Besides, online e-commerce websites like Amazon and Overstock.com, are now playing an important part in this industry as well.

Offline: Big-box Sporting Goods Retailers Is Overtaking Specialty Stores

According to an industry report "Sporting Goods Stores." From the Encyclopedia of American Industries, because there are no such apparent price and inventory management advantages for some small stores and specialty shops, the big-box sporting retailers are more likely to win the business by comparison. The reason for this is that such sporting big boxes tend to keep lower prices but attain higher margins as a result of having more suppliers and manufactures, as well as electric stock consumption. Similarly, for some well-known big box, their promotions can be more effectively and affect more audience.

Online: Internet Based Distribution Channels for Millennial Shoppers

As the millennials are gradually taking over baby boomers, their shopping habit has also motivated corporates to attach importance to and innovate the channels of online sale. It's reported that online selling is expected to account for almost one-fifth of the market total sales by 2018. This young generation prefers mobile and online shopping which accordingly stimulate the sales model of direct selling, and they are also very willing to give high praise on innovation that makes their life easier. For instance, they would appreciate seamless Omni-channels of the big outdoor sports retailer Recreational Equipment, Inc that not only opens 154 retail stores in 36 states but also sells by mail-order and their online shop through which customers can order online but get their goods from a nearby store.

In conclusion, big-box outdoor equipment retailers and online selling are an excellent way to gain an ideal sale. Also, while general big box retailers are more likely to mess up and draw down the sales when it comes to a small or unknown brand, entering big-box outdoor equipment

stores, and e-commerce websites would be worth it given the relatively low entry cost. Besides, compared with the opening as many as possible new specialty stores with the quite high price, opening a few specialty stores in some target states would perfect.

4. General Ways of Promotion

For promotion and advertising, like all the other outdoor gears, the product of trekking or hiking poles usually does a lot of advertisements focusing on some online sporting websites or social media, magazines, and organizations (PRIMIR, 2015). Meanwhile, the direct way for reaching customers is advertising or promoting in the real stores with fliers, posts or some promotion in-store campaigns. The same goes for catalogs and direct mail.

A large number of hikers or trekkers have their community, they shop or are active on lots of particular professional websites, magazines and some social media. As for some up-to-date and professional information about hard adventure activities, adventurers, especially millennial ones, tend to gather information online.

The famous ones of websites posting professional knowledge and introduction and evaluation on leading equipment in the USA are Trails.com, Campsaver.com (also an online shopping web), Adventure-journal.com and Nationalgeographic.com. They all get a score above 5 out of 7 on Google Page Rank, while the one of Google.com is 7 out of 10. Additionally, millennial adventurers are also a big fan of well-renowned bloggers and some other social media celebrities on Twitter, Instagram, YouTube, and Facebook. It is reported on The Future of Retail Advertising that ads on Facebook increased 12% sales of real stores. Other than these, there are some outdoor adventure magazines where manufacturers put their advertisement, such as Backpacker, Outside, Trail.

Specialty stores, retailers also launch plenty of offline campaigns, which are a particularly important way of promotion. Apart from traditional campaigns handing out fliers and posting posters, the most efficient ones work on customer experience, introducing new products by holding relevant classes and promotions. The good example is that Local stores of REI often work with professional organizations and host clinics of outdoor topics and organize short trips exploring local hiking spots which start from their real stores.

It is reported that in this segment (PRIMIR, 2015), direct mail with a printed advertisement (circulation and catalog) is an effective way of advertising and many sporting goods companies heavily rely on this way (as shown in Table.3). For quite some term, this trend is going to be continued.

Table.3 Summary of Advertising Trends by Retail Segment, U.S.

Segment	Segment size	Advertising size	Major media spending	Key trends used
Automotive	Large	High	TV, newspapers digital	Digital now key, local tv still important
Electronics	Small	Low	Digital, circulars	Fewer major chains, general merchants and manufacturers taking share
Home goods & furniture	Small	Low	All	Some chains struggling. Strong local presence. Ripe for digital distribution.
Building & hardware	Large	High	Circulars, digital TV	Digital growing rapidly. Circular volume steady
Grocery	Medium-large	Medium	Circulars	Circular spending steady. Share shift to digital
Drug	Medium-small	Medium-small	Circulars	Circular spending steady. Share shift to digital.
Clothing	Medium-large	High	Catalogs, digital, TV, magazines	Digital share growing rapidly. Other major media holding up.
Sports & hobby	Small	Low-medium	All	Digital growing rapidly. Catalogs and TV decreasing.
Department stores	Small	Medium	All	Many struggling. Challenged by online, becoming "omni-channel." Relatively high advertising spending.
Discount & supercenter	Large	Medium	Circulars, TV, digital	Budgets low percent of sales. Circular share down but still important.
Non-store	Large	High	Digital, catalogs	Multi-channel. Growth in e-commerce leads to more digital advertising.
Restaurants	Large	High	TV, digital, in-store	Spending dominated by national chains. Local restaurants will continue to use local media.

DIRECT COMPETITION

Our Weakness: Weak brand image and less availability at the beginning

According to the article “Best Trekking Poles of 2018”, our product has several strong competitors to face with, which includes REI Co-op, Black Diamond, Leki, and so forth. From the perspective of customer awareness, those companies had considerable advantages over our product, since they had worked on outdoor products for years and built a strong reputation among outdoorsy consumers.

As for product availability, customers can reach our products both physical and online stores, so as competitors. But we start selling on only a few target states, such as California at first few years; it will be a significant weakness since customers outside the seven states we chose who prefer in-store shopping experience will probably shop at competitors.

Our Strengths:

1. Middle range of affordable price compared with high price of high-end products

However, our product has a better price-\$99.5-compared with competitor’s high-end products, which makes it more affordable for customers. Three high-end products exemplify the above point, Black Diamond Alpine Carbon Cork (\$170), Leki Micro Vario Carbon DSS (\$220), REI Co-op Flash Carbon (\$140).

2. High quality with effective all-in-one functions making trip lighter and safer

When it comes to comparing products quality, our product is made up of firm and light materials, just like other big brand products. That said, compared with those big brand trekking poles, for example, Alpine Carbon Cork Trekking Poles from Black Diamond, there are some strengths to MULTICA’s cane.

Black Diamond trekking poles only include functions to ease walking, but our product comes with services to facilitate walking and help survival, which features with SOS strobe light, spear gun which is for the fishing purpose, aerial flare, a crutch, and cane hook. As our multiple functions can be demonstrated to be highly effective, those outdoorsy consumers who are truly worried about finding themselves in dire need of assistance (i.e., if they were to become lost in the woods) may appreciate the all-in-one aspect of the multipurpose survival cane. Whereas they may previously have had to carry separate products such as a strobe light and flares, the multipurpose survival cane could significantly lighten their load. Again, this will depend on the perceived quality of the multipurpose survival cane. A fisherman is likely to be skeptical of its fishing function—and hesitate to give up his or her favorite fishing reel—unless it is clear that the multipurpose survival cane is a severe and attractive alternative. The strengths of this product concerning competition will, therefore, depend in large part on its quality.

Marketing depends in large part “on reinforcing positively held perceptions that are representative of competitive strengths” (Pike,2017). The struggle for the multipurpose survival cane will be to generate positively held perceptions initially.

INDIRECT COMPETITION

Since our product consists of many functions in one cane, it has many potential competitors as more professional tools. The nine functions include walking stick, cane hook, crutch, SOS strobe light, spear gun, aerial flare section, flare sections, attachable fishing, and stretcher.

Thus, the most competitive indirect competitors are fish poles, lighters and safety climbing rope. These competitors are more professional, and functions are more complete than our product since when we have to put all stuff into our product while still maintaining its low

weight, the counterparts inside the cane must be rudimentary and straightforward. It's hard to persuade a professional fish not using their fishing tackle instead use one of our multiple functions with a fish pole.

However, cost and weight are two factors into consideration as well. For example, the average price of a fish pole in the market is 40-60 dollars, most lighters charge less than 20 dollars, and the average price of safe climbing rope is from 20 dollars to 70 dollars. As a result, it's clear that the total cost rises if you buy them all, and you have to pack them all in your bags.

TARGET MARKET

Out target customers are millennials who are outdoor enthusiast, living in the following seven states of the US - California, Washington, Oregon, Michigan, Texas, New York and Colorado.

1) About Millennials

As mentioned in macro environment analysis, people at the age of 25 to 34 account for the largest population participating in hiking in 2017. This age group is within and similar to the range of “millennials,” who is at the age of 21 to 36 in 2017. Also, plenty of other supportive facts suggest millennials a promising prospect.

First, millennials are projected to surpass last t generation, named Baby Boomers, as the nation’s largest living adult generation in 2019. Numbering 71 million in 2016, millennials in the United States are approaching Baby Boomers (74 million) in population and are projected to surpass them as the nation’s largest living adult generation in 2019. As for hiking, millennials specifically reach 38 % of the 75 million active hiking and camper households in the U.S. in 2017, up from 34 % in 2016.

Second, “Too busy with family responsibilities” account for 22% as the top reason for those who not a participant in hiking or other outdoor activities. According to the late researches, marriage rates are declining among millennials. If these trends continue, 25% of young adults in the age between 25 and 34 will have never married by 2030. This projection may carry another significant monetary opportunity for the trekking cane business because unmarried young adults still do not have many responsibilities compared to married couples. It means that they have more free time to get involved in these high-adventurous activities.

Third, those young adults are expecting to have more purchasing power. By 2020, their annual spending in the U.S. is expected to increase to \$1.4 trillion, representing 30% of total retail sales.

Thus, since this generation increasingly plays an important role in nowadays American society and also in outdoor activity, we prefer to use this term to define our target customers.

2) About Seven States

We primarily target our marketing geographically at California, Washington, Oregon, Michigan, Texas, New York, and Colorado. These seven states share the highest participation of hiking in the U.S. And since families with high income tend to participate in hiking, as mentioned in macro environment analysis. We also check their level of economic development with GDP and the level of urbanization.

GDP in these seven states is above average, as they all rank in top 25 of all the 50 states and regions. As for the level of urbanization, only Michigan, its urban percentage (74.6%) is less than half of the United States average 80%, while other states all have highest urbanized rate according to 2010 U.S. Census Bureau.

According to the above findings, our choice to target these customers is based on three primary reasons: the high rate of participation, active, consuming capacity and potential willingness on our product.

MISSION STATEMENT

Our mission is: To provide aid at hand anytime while taking outdoor activities, especially hiking, trekking and mountaineering, through our all-in-one features and actions. To guarantee safety and convenience without worries of heavy backpacks.

POSITIONING

We position our trekking poles as high quality with multi-functions to assure the safety of our customers at price above average (as shown in Fig. 4).

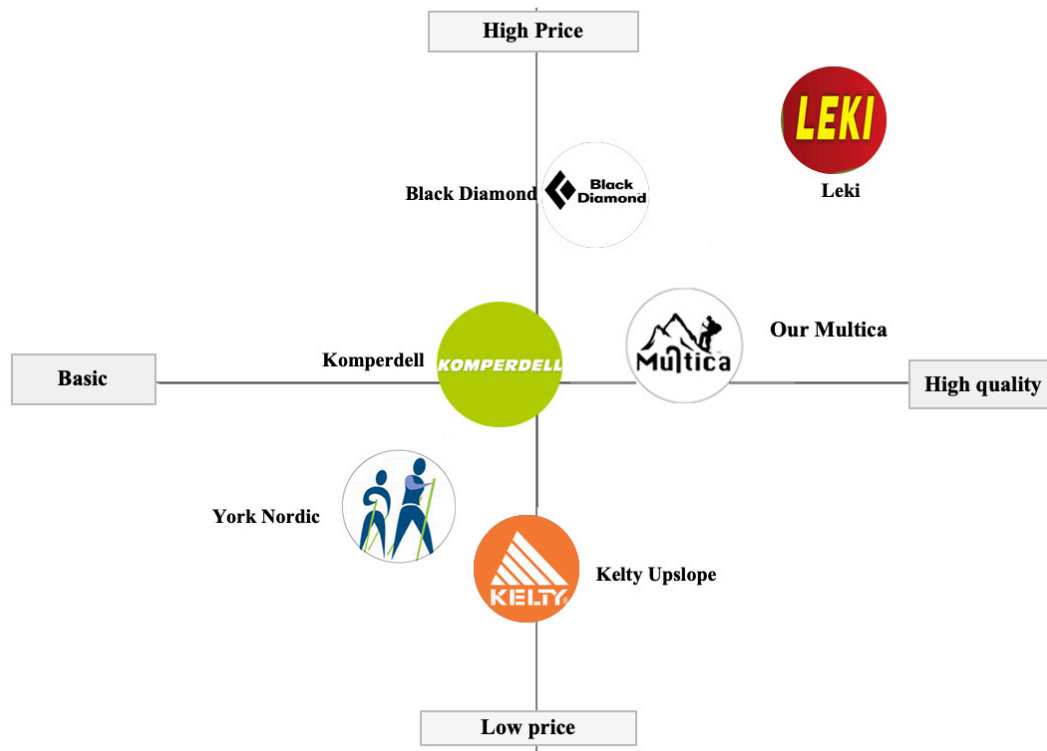


Figure 4. Perceptual Map for Our Product in Trekking Pole Industry

First of all, the most outstanding feature of our product is nine functions altogether contained in only one cane. The nine duties include walking stick, cane hook, crutch, SOS strobe light, spear gun, aerial flare section, flare sections, attachable fishing and stretcher, ranging from assisting climbing, getting food, lightning and asking for help when in dangers. Also, since our product is patented, it cannot be copied by others. Therefore, we are going to publicize actively about the multi-function feature.

Moreover, we are going to improve the quality. It is a common thought that although one stuff can be used in several ways, it must work poorly in either way. To reduce the stereotype, we will make significant efforts to improve every nine functions of the cane and ensure that

every function is trustful for customers to substitute equipment with particular one purpose. Hence, once a new customer has a trial, they can feel cheerful about their choice and might recommend our product to others. As a new brand, we need a word of mouth to spread our brand image.

Also, we care a lot about our customer's safety. According to social research, people firmly believe recommendations made by people who share their experience with the help of specific equipment to survive. Therefore, security is one of the most motivating factors for consumers to choose a product.

MARKET OBJECTIVE

(1) Financial objective: gain 2% of market share in three years

(2) Non-financial objective: enhance 50% of brand awareness in market

According to article “Top Hiking and Outdoor Retailers, 2018”, the top five leading companies in the industry of hiking and outdoor retailers are Recreational Equipment Inc. (REI), Patagonia Inc., VF Corp., Eastern Mountain Sports, L.L. Bean, respectively with market share of 43.9%, 13.6%, 11.3%, 4.6%, 2.5%. To catch up with fifth leading company, which has market share of 2.5%, we decided to gain 2% of market share in three years.

During the first year, we will focus on capital raising and mass manufacturing, and launch products on the market in California, which has highest participation of hiking and highest GDP according to the source “Comparison between U.S. states and countries by GDP (nominal)”. For second year, we will start selling products in Washington and Oregon, which have second and third top participations in hiking. Then, for the third year, we will starting selling products in Michigan, Texas, New York and Colorado. Through this process, the products will be launched on the market in the seven states with highest participation of hiking gradually.

MARKETING MIX

1. Product: Our brand name – MULTICA

MULTICA is a combination of two abbreviations, “MULTI” and “CA”. “MULTI” stands for multiple, meaning that company’s products feature with multiple purposes, and “CA” stands for cane, symboling the first launched product of company.

The first benefit of using the name MULTICA is that when customers reach to the brand, they would have a perception that this company sells products with multiple purpose, and the second one is that this name can be easily remembered, with a similar pronunciation to a common name “Monica”.

2. Price: Skimming Pricing Strategy of \$99.5, Discount Based on Event and Season

As a new product in outdoors equipment category targeting at the relatively high-income segment, we adopt NEW PRODUCT PRICING strategy by using skimming pricing strategy. Thus, the price of Multica is a little higher than the market average price. According to competition analysis, \$100 is a turning point to differentiate those poles with different quality and functions. What’s more, considering the psychological factor, we decide our price at \$99.5.

As for discount strategy, we conduct discount tactics on Multica based on event and season. To be specific, we set percentage discount between 5%-15% when there are big outdoor events, such as the 22nd Annual National Trails Day American Hiking Society, or offering special discounts when co-working with professional associations on big occasions. Seasonally, we will give discounts at seasons preferred by our target audience. For example, at the beginning of the spring and autumn, it’s usually a great chance to participant in hiking. When customers purchase our product in the group, we deliver a 5%-10% discount based on their group size.

3. Place: Hybrid Channel Strategy

We use a hybrid channel system to promote Multica. First of all, we are going to authorize third-party independent channels primarily in leading sports goods big-box retailers, namely REI and Dick's to affect more audience. Besides, we plan to have ownership of a certain number of specialty stores (as shown in Fig.5). Two specialties in each of the state will be a proper choice, precisely in Los Angeles, San Francisco, Seattle, Portland, Eugene, Olympia, Detroit, Grand Rapids, Houston, Dallas, New York City, Buffalo, Denver, and Colorado Springs, all of which are big cities in our target seven states.



Figure 5. Map of our specialty stores planned to open

Also, the specific channels of a partnership are essential. A healthy relationship with sporting professional associations or clubs in the US helps increase the exposure of Multica. Since we focus on outdoor activities, we can build a strong relationship with sporting professional associations or clubs in the US or some above average/average sports brands, which means to also sell via our partner organizations, including Puma and Under Armour, and other professional organizations listed in promotion part. Likewise, we would have co-branding activities, showing our product in professional events and our partner stores.

The advantages of doing so are that we can control our budgets and gain the maximum exposure to our product.

4. Promotion – Stresses On Online Channels and Partnership

Table 2. Promotion Channels for Multica

Channels	“What to say”	Remarks
Facebook	Promotional and introduction ads	Facebook Ads
YouTube	Video ad and brand exposure with practical knowledge	Survival On Purpose
		Tech Guru
		Trekking Trails FAQs
		Adventure Sports Network
Twitters	Features and events’ spreading	HikingLady
		@Jeff Probst
Instagram	Video ads	@Kirsten Alexis
		@fabstraub
		@letcamptoegether
		Tag #hiking#
Websites	Brand spreading and features introduction	www.climbkilimanjaroguide.com
		www.Switchbacktravel.com
Organizations	Events	American Hiking Society
		Facebook groups (Women Who Hike, HikingUpward)
		The Explorer’s Club
		Hiking Club USA
		American Alpine Club
		United States Adventure Racing Association
Magazines	Product features	Backpacker (shown in Fig.6)
		Outside
		Trail
		National Geographic
Mails/Emails	Promotional ads	Mailing/Emailing via contacts from partner organizations, and zip codes bought from some companies

For this part, we are going to concentrate on online promotional channels mainly (listed in *Table.2*, and then incorporate with direct mail and email. As to campaigns, we would make the

great advantage on organizations and in-store promotions as below. Specifically, we planned to advertise on certain famous social media accounts, professional websites, organizations, and only a few traditional media, and conduct events with professional organizations.

Celebrity of MULTICA's Spokesman: Jeff Probst

As the host of American highly rated reality show *Survivor*, which ranks the top one among other outdoor reality shows and at the 37th season premiered from 2000, Jeff Probst (shown in Fig.7) is arguably the best spokesman for an outdoor equipment brand. Not just because he won the Emmy Award and had more than 47.6K followers on Twitter associated several topics about outdoor adventure, he is well connected with the image of outdoor explorer by most Americans and has a significant influence on outdoor activity lovers. Personally, for Jeff Probst, during his decades of host career, he has always been enjoying a rather good reputation, and people rarely hear of bad news about him, maintaining a decent public image.



Figure 6. One of magazines for promotion Figure 7. MULTICA's Spokesman: Jeff Probst

Make A Video Ad. Leading by Jeff Probst – emotional orientation

We plan to make a 1-minute video to introduce and display Multica. This video is going to be designed emotional-oriented contributing to the topics with which we try to show Multica's positioning. Since we've mentioned that safety and convenience are two of significant concerns separately in the macro environment and competitor chapter, emotional persuasion seems an effective way to involve customers to experience the feelings. We want to use a slice of life commercial to display a real adventurous trip with our product. Let's imagine that with safety and various functions, Multica is making customers' tour lighter and more reliable. What a wise choice to enjoy closer contact with the nature needless of worries!

Create Customer Experience Activities with Associations and Partners

On the one hand, we are going to launch some campaigns in our specialty stores. We can hold some lessons or lectures on free tips, cooperating with certain professional organizations and renown industry professionals. At the same time, we sponsor our product to some events initiated by different clubs or associations or jointly sponsored by Multica and other organizations.

On the other hand, we decide to use Through-partner Marketing Strategy to amplify our voice in the marketplace through coworking with some sporting brands with a middle-level brand image. For instance, we plan to cooperate with Puma and Under Armour (sporting outwears brands rather than all outdoor gear including trekking poles), two companies with more than the average brand image but not so strong that it would be impossible for our brand to cooperate.

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