

A person wearing a grey hoodie and a brown backpack is seen from behind, giving a thumbs up on a paved path that leads into a forest with autumn-colored trees. The scene is captured in a cinematic style with soft lighting.

Cars On The Go

Case Study – August 2015 [modified version by S.Heintzman]

COTG, a car-sharing company, aims to acquire 11,500 new memberships by the end of Q4 2016 using a budget of \$950,000. COTG's recent partnerships with 5 universities around Canada give them access to a large database and insights into their target – millennials. This case demonstrates how COTG's objective can be achieved with a campaign all about independence. Tactics include a mobile efficiency app, direct e-mail, direct mail, social media contests, auto-shared shows, customized landing pages, and OOH parking lots.

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2.0 BACKGROUND

Car sharing has been a big hit since its' introduction to North America, and the car sharing market has kept growing - more users and more competitors are joining the market each year. Today, there are more advanced technologies for managing operations, reservations, billing, as well as new business models. Innovative models include one-way car sharing or point-to-point services (e.g. Daimler's Car2go; BMW's DriveNow; Communauto's electric one-way car-sharing pilot program; etc), and peer-to-peer carsharing (e.g. Getaround and RelayRides). Other models will soon be on the horizon, such as fractional ownership (individuals sublease or subscribe to a vehicle owned by a third party). (Shaheen, Innovative Mobile Carsharing Outlook: Carsharing Market Overview, Analysis and Trends, 2015) (Shaheen, Innovative Mobility Carsharing Outlook: Carsharing Market Overview, Analysis and Trends, 2013).

Car sharing is most popular in urban areas that have a good public-transportation system. This is primarily due to the fact that these people are adamant to own cars, but would enjoy the possibility of hopping into one in a matter of minutes. For example, in up-and-coming neighborhoods which mainly target the millennials (Liberty Village, Toronto); adding car sharing as an amenity for residents can be an opportunity to capture new customers. However, areas with less developed public transit coverage, where car sharing can significantly ease transportation may also be considered as a target market.

In order for car sharing companies to retain existing and to obtain new customers, the main operational challenge they face is in maximizing the confidence of customers - their customers knowing that they can gain access to a car when and wherever they want one. (Appendix B: SWOT analysis.)

3.0 COMPETITIVE OVERVIEW ANALYSIS

3.1 OVERVIEW

The auto-share market in Toronto consists of more than 2,000 cars and continues to grow as car rental companies and car dealerships plan on entering the market. The business model goes along with such consumer trends as convenience, cost-effectiveness and eco-orientation. The market is mostly divided between AutoShare, Zipcar and COTG with its 30% market share (AutoShare, 2015). In addition to similar car sharing companies, there are also indirect competitors including taxi services and car rental companies that compete for the same market share. (Appendix A: Case Assignment)

3.2 COMPETITORS

3.2.1 AUTOSHARE

“Cars On Call For Lives On The Go” – Autosshare is a car sharing network, with rates from \$8.25/ hour, and offering 5 types of cars (which are: economy, standard, specialty, lux, cargo). The customer picks a car, which is then waiting at the location for pick up. After use, the customer just brings the car back to the same spot. Cars are stationed in 175+ convenient locations across the GTA, and parked in over 60 condos/ apartments. There are multiple options in terms of duration: reserve a car for as little as an hour, or days at a time. Reservations can be done online, using the smart phone or by phone 24/7.

Requirements: full class “G- full” or “G2” license, to be 21 years old and registration fee \$29. (AutoShare, 2015).

3.2.2 *ZIPCAR*

“A smarter way to get around the city” – ZipCar is a worldwide car sharing chain that includes gas and insurance (reservations include a minimum of 200 kilometers). Choose from sedans, hybrids, vans and more. Membership starts as low as \$7/month. A little card unlocks thousands of cars, trucks and vans across the globe. Reservations can be made online or on the phone via the mobile app. May book for as little as one hour, or as much as 7 days at a time. Can return to any “home” location.

Requirements: Valid driver's license G- full (G2 is allowed), 21 years or older to be eligible for application/membership; 18-20 years old if affiliated with a college or university. Customers must get approval. (Zipcar, 2015)

3.2.3 *CAR2GO*

“Simply. Always. Everywhere.” – Car2Go has over 400 vehicles across Toronto, which are always ready to go, for as long and as often as the customer wants. There are plenty of financial and environmental benefits. The car is very small, and only fits two people. There are no fixed rental stations, but there are drop-off and pick-up locations all over the city. No reservation required, but customers can use their smartphone to find the closest available car. To use the car, first the customer needs to find the car, swipe the card, then answer couple questions on the screen in the car and she/he is ready to go. The cost is \$0.41 per a minute, with parking, fuel, insurance, maintenance, cleaning, GPS navigation, 24/7-customer support and roadside assistance are all included. There are no late fees. The customer only pays for the minutes he/she is holding on to the car, with charges are billed directly to the credit card. One hour costs a maximum of \$14.99, and a full 24 hours is no more than \$84.99.

Requirements: Must be 19 years or older with three years of driving experience and have a valid driver’s license and credit card to register. Registration fee is \$35. (Car2Go, 2015)

3.3 UNADDRESSED ISSUES

There are still some unaddressed issues that COTG can focus on:

- Although the car sharing market is growing, the car owners market is still huge across Canada. Commuting citizens are usually stuck in the traffic jams during the rush hour due to the large amount of owned cars.
- The companies are not promoted well enough for newcomers, so that there is still a hidden need and market potential.
- Not all competitors have a strong environmental orientation, so it can be a base for the company’s communications.
- The millennial generation accounts for the largest age group in target audience profile of car sharing business and should be targeted with digital marketing techniques within the whole concept of Integrated Marketing Communications.

4.0 BUSINESS OBJECTIVES

4.1 LONG TERM

- To reach the number of 30,000 members by the end of Q4 2019
- To achieve \$72,000,000 membership fee revenue by the end of Q4 2019

4.2 SHORT TERM

- To acquire 11,500 new memberships by the start of Q4 2017 using an increased budget of \$950,000.

Note: This report focuses on how to achieving our short- term objective.

5.0 TARGET AUDIENCE

5.1 TARGET AUDIENCE DESCRIPTION

To reach these objectives, the target audience consists of university students and recent graduates (Millennials age 18-34). This is primarily focused on the students that attend any of the 5 universities that COTG have partnered with. (Appendix C: Target Personas)

5.2 TARGET DETAILS

One-size-fits-all no longer appeals to them, for they this generation is known for their individualism (Douthat, 2014). These individuals want to have a voice, and be heard as member of a team (Vision Critical, 2014). They'll choose 'minimalism' to 'materialism', for 81% of millennials say they value experience over material items (Palley, 2013), and their spending habits reflect this.

Though they crave independence, with the bad economy 48% of recent graduates live with their parents while looking for work, paying off students loans, or saving up to buy their own home (Sagan, 2015). So, when they do get their own place, prefer living close to the city core where the convenience of public transportation makes owning a car a low necessity (Sorenson, 2015), supporting their desire for freedom. Of our current members, 20% have never owned a car, and 21% plan on purchasing a car in the next two years).

Millennials, also known as the *Now Generation*, have high expectations. They 'need' instantaneous and flexible service to ease their constant have a "fear of missing out" (Lee, 2013). They are always on the go, and value companies that understand this.

This generation grew up with technology, and relies services that are available 24/7. They prefer a mobile app and technology that tells them what they need to know to time-consuming conversations with staff (Lee, 2013). Also, "78% of millennials indicated that they prefer to learning something new when traveling" (Jenkins, 2015; Lee, 2013).

Millennials are very social. Most purchasing decisions are only made after receiving advice from peers or online forums. As avid social media users, with a growing interest in images and videos, that are always in the know use real time information to communicate with friends (and strangers). Brands that allow this audience to communicate with each other tend to be more successful. (Pew Research Center, 2014)

Finally, millennials support causes that are important to them; they “expect companies to take a transparent, authentic, organic and sustainable approach” (Vision Critical, 2014). (Nicoletta, 2002) (Portia Consulting, 2015) (Statistics Canada, 2010)

6.0 AUDIENCE OBJECTIONS

- Younger demographic is limited in funds.
- For long distance travels, they are more familiar with car-rental companies.
- It's more convenient and perceived as less expensive to take a cab or an Uber for short distance trips. Not having to drive, look for parking, gas, insurance, traffic, and credit deposit are facts that are of concern when driving.
- The lifestyle of our target audience includes lots of entertaining and alcohol consumption, which prevents them from driving.
- The public transportation in downtown is well developed, so there is no need to rent a car for those individuals who live, works and relax in downtown areas.
- Due to multiple memberships requirements (G-level driver's license, driving experience, etc), memberships are difficult to obtain
- Preferred car type (e.g. minivan, jeep) may not be available at the moment in target's area.

7.0 MARKETING STRATEGIES

7.1 BENEFITS

7.1.1 FINANCIAL

COTG offer the competitive fees of \$45 annual membership fee, and a flat hourly rate starting at \$9.50. Canadians spend a lot of money on transportation. Canadians spend on average of \$1,128 annually on public transportation (Statistics Canada, 2014). By comparison, car owners spend 15% of their monthly income on car variable costs (parking, gas) and fixed costs (insurance, mortgage, maintenance, depreciation value) (Wright, 2014). With COTG car members save as much as \$437.48 a month or \$5,249.76 per year on auto payments and avoid depreciation of their car's value due to mileage. COTG will help our target get one step closer to financial independence.

7.1.2 GET SOCIAL

Knowing that COTG prospective members drive for social purposes, COTG have lowered the age for potential customers. To be eligible for a COTG membership you only need to be 19 years old. In addition, COTG provides multiple pick up and drop off points across the nation, which allows for last minute traveling plans and wherever they are.

7.1.3 ENVIRONMENTALLY FRIENDLY

As a socially responsible company, COTG reduces carbon footprint by connecting existing members to other COTG drivers for carpooling and increase environmental awareness through our mobile app. COTG offers fuel-efficient cars that help save our planet. Renting a car instead of owning your own will help reach the global goal of lowering carbon emissions.

7.2 UNIQUE SELLING POINT

We the first car sharing company that allows members to be the first to test drive different vehicles for days on end before they make a purchasing decision on their first car. COTG will partner with car manufacturers to provide their members opportunities to test drive the latest and the most efficient models from BMW and Toyota Motors (Lindzon 2015). These members may never have considered purchasing a premium car. This will allow car manufacturers want to build brand loyalty and relationships with potential customers early on; this will influence future purchasing decisions. Such partnerships will benefit both parties emotionally and economically.

7.3 RATIONAL

To meet COTG's objectives, the marketing strategy directly reflects the lifestyle and needs of the target audience. We want to help university students start making informed decisions about what's best for them in terms of transportation.

COTG aims to create a more personalized experience by working with them to expand their knowledge. Using engaging tactics supporting 2-way communication and interactive platforms, COTG will help students make decisions that will save them time, money, and the environment all on their own.

8.0 COMMUNICATIONS OBJECTIVES

Our main communication objective is to reinforce that COTG is as flexible as students are. COTG helps make independence easier to achieve! All of our offers and tactics focus around this one idea.

Our secondary messages follow the three themes:

- Efficiency On The Go-- when resources are limited, we will help you save.
- Get Social On The Go-- share your COTG adventures, we go where you are and when you want to go.
- *Checking Off Your Bucket List-- travel to where you want to go (Future steps after short term objectives have been achieved)*

9.0 OFFER

What COTG would be offering aligns with our overall goal of independence in the shared economy. We will be offering a variety of prizes as mentioned in our tactics.

- Learn how you can save money, time and the environment with the mobile app.
- Learn more about different types of COTG from professional experts
- Share your COTG experiences with your friends and win amazing prizes:

- Win a road trip for you and a friend across Canada using COTG (this first place prize serves the purpose of awarding to top brand ambassador by allowing them the opportunity to travel Canada, and share more pictures of where COTG takes them – reinforcing the brand’s image of independence and freedom)
- Annual Memberships
- Pre-paid hours for registered members to load onto their account
- Posted winners on COTG Website

10.0 TACTICS AND IMPLEMENTATION

Our marketing campaign, “Independent and On The Go”, will be broken down into three separate programs. First described what the tactic is and why these programs were chosen. The AIDA framework was used to determine rollout (Appendix D: General Deadlines; Appendix E: Timeline). Note that these tactics are to be implemented on top of existing efforts.

10.1 BEING EFFICIENT ON THE GO (BE-OTG)

10.1.1 COTG EFFICIENCY MOBILE APP

Our target audience is always on the go, so why not create a way for them to engage with our brand while doing so? Most have never owned a car, and therefore unaware of various inefficiencies. With our app, we teach you how to save time, money and the environment. This can be used by Android, Windows and IOS phone systems. COTG already knows how much you are driving, where you are going and other driving factors with GPS and other auto-technology. We want to share that information with you!

- Save Time: When needing to get somewhere, use the COTG app to figure out where the nearest COTG is located, the fastest way to get there, and if walking, biking, taking public transportation, and cabbage (estimated wait time for taxi pick up). Integrating Google maps with our app also means you will never get lost again. We want to help you make an informed decision based on what is best for you. You can also reserve a car on the go when you are nearby.
- Save Money: There are two ways you can save money! First, when getting directions destination, calculate estimated costs for driving your own car, public transportation, etc. Secondly, learn which cars are most efficient in terms of gas.
- Save the Environment: Learn about which cars are more fuel efficient, and help save our planet.

10.1.2 DIRECT E-MAIL

This direct e-mail piece will be sent to current registered members about the mobile app. This will encourage current members to use COTG more often and to refer COTG to their friends.

10.1.3 DIRECT MAIL

Our direct mail deliverable will introduce students right at the beginning of the school year to COTG. What’s more exciting than receiving their first piece of mail? In the form of a postcard, students will be encouraged to download the COTG

Efficiency Mobile App, and sign up to become a member so they can participate in the social media competition. (Appendix E: Creative Mock-Up).

10.2 GET SOCIAL ON THE GO (GS-OTG)

10.2.1 SOCIAL MEDIA CONTEST

COTG has created a hash tag for the public to share their experience. The public can now share what they were able to do and places they were able to go with COTG. This will help build awareness of our COTG independence campaign.

COTG's social media contest will be integrated into the existing content marketing campaign.

- Awards include:
 - A road trip for you and a friend across Canada using COTG (this first place prize serves the purpose of awarding to top brand ambassador by allowing them the opportunity to travel Canada, and share more pictures of where COTG takes them – reinforcing the brand's image of independence and freedom)
 - Annual Memberships
 - Pre-paid hours for registered members to load onto their account
 - Posted winners on COTG Website

10.2.2 CUSTOMIZED LANDING PAGE FOR YOU TO SHARE

COTG members can share their experience and invite friends to join in by creating a customized landing page. You will receive the opportunity to win annual memberships, pre-paid hours, and other freebies. Prospective members (and members) that have their account synced up with an e-mail and social media platforms making it easier to share with the click of a button. There is also an option to copy and paste a URL in various social media platforms.

- Content will include:
 - An easy, call-to-action button for friends to register
 - Corporate sponsor logos and testimonials to build credibility
 - Write down a testimony (as you would for mobile apps), and have it displayed
 - When connected to social media platforms, viewers will be able to identify which friends are currently a member of COTG, and COTG social media images.

10.2.3 AUTO-SHARED-SHOWS

In September, during orientation week, instead of buying a car or a bus pass, come to check out an auto-shared-show at partnered universities. Here current and prospective members can learn about the features of sponsored COTG cars. COTG wants to help students make informed decisions for when purchasing their first car, or for when renting a COTG. Instead of test-driving for the day, register and use the car of choice for as long as desired, as if it were their car. Why is this great? Premium car manufacturers get opportunities to develop brand loyalty and customer relationship early on, while increasing brand visibility. Consumers who can't afford to buy premium cars get the opportunity to experience the newest, cleanest products manufacturers have to offer.

10.2.4 OOH PARKING LOT DISPLAYS

By renting out parking spots near student's university and your favourite locations, getting around just got a whole lot easier. With OOH parking-lot displays, COTG reinforce their services are available anywhere, at anytime. This is great for by-passers, who will be primed by constant reminders of COTG. Make it easier for current and new members to find their COTG from a distance, or when their phone battery is dead.

10.3 FUTURE TACTICS: CHECK OFF THAT BUCKET LIST

Once short-term objectives have been achieved, COTG will plan to expand their marketing efforts to focus on travel. Encouraging students and recent grads to create life long experiences on the go with COTG. Social Media contest will be continued, with target focusing on recent grads and those who enjoy traveling

10.3.1 TRAVEL DISCOUNTS

When you rent a COTG for more than one day, receive 10% discount on selected hotels and tourist attractions.

10.3.2 TEMPORARY DROP-OFF POINTS

Headed to a destination where there are no drop-off points? Save time and the environment by finding out if any COTG members are interested in creating a temporary pick up/drop-off spot by connecting online. By having a registered account, and COTG having credit card information, COTG will avoid any liability issues.

10.3.3 SOCIAL MEDIA CONTEST

Using similar rational as COTG's social media contest for the 'Get-Social On The Go' campaign, prizes will be given to encourage use of COTG while on the go.

11.0 TIMELINE

Launch decisions were made using the framework of the AIDA model. To view full timeline and general deadlines visit Appendix D and Appendix E.

	Campaign	Tactic	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2	Be Efficient On The Go	Mobile App												
0		E-mail												
1	Get Social On The Go	Mail												
6		S.M. Contest												
		Landing Page												
		Auto-Show												
		OOH												
	Campaign	Tactic	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2	Be Efficient On The Go	Mobile App												
0		E-mail												
1	Get Social On The Go	Mail												
6		S.M. Contest												
		Landing Page												
		Auto-Show												
7		OOH												
	Check Off That Bucket List	TBD												

12.0 BUDGET

Using benchmarks (Appendix F) and work experience (to estimate hours required to create deliverables), the budget of \$950,000 for the two campaigns was carefully distributed across our tactics. (Appendix G).

12.1 SUMMARIZED BUDGET ALLOCATION

PROGRAM	TACTICS	BUDGET REQUIRED
Be Efficient On-The Go (BE-OTG)	Efficiency Mobile App	\$ 296,625.00
	Direct E-Mail	\$ 610.00
	Direct Mail (with QR code)	\$ 87,864.64
Get Social On-The-Go (GS-OTG)	Social Media Contest	\$ 22,700.00
	Auto-Shared Show	\$ 50,320.00
	Customized Landing Page	\$ 1,640.00
	OOH Parking Lots (5 locations)	\$ 490,240.00
Check Off That Bucket List	Travel Discounts	\$ -
TOTAL FORECASTED BUDGET REQUIRED		\$ 949,999.64

13.0 ANTICIPATED RESULTS

There are many ways to measure success. To determine if using the above tactics would reach the objective of acquiring 11,500 new customers, a chain analysis using benchmarks (response rates and conversion rates in Appendix F) was done. It can be assumed that not only will the short-term objective be met, but surpassed by 1,876 people. With \$32,102,400 revenue of from 13,376 newly acquired members, the assumed ROI would be \$32.79 for every dollar spent.

TACTICS	ROI (%) / CONVERSION RATE	ACQUIRED MEMBERS	REVENUE	ROI (\$)
Mobile App				
• App Store	5%	149	\$357,600.00	\$0.21
• Direct E-Mail	50%	10	\$24,000.00	\$38.34
Direct Mail	13%	3,283	\$7,879,200.00	\$88.67
Social Media Contest	0.1% & 6%	39	\$60,000.00	\$3.12
Auto Share Show	2%	1,791	\$991,200.00	\$84.42
Customized Landing Page	10%	689	\$1,653,600.00	\$1,007.29
OOH Parking Lots	1%	528	\$1,267,200.00	\$1.58
Combination of Efforts	3%	6,887	\$16,528,800.00	-
TOTAL	-	13,376	\$32,102,400⁰⁰	\$32.79

Once the short-term objective has been achieved, COTG will expand their focus to helping these students check off their bucket lists across the nation!

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15.0 APPENDICES

15.1 APPENDIX A: CASE ASSIGNMENT

MARK 1107: DIRECT AND INTERACTIVE MARKETING GROUP PROJECT CASE – Summer 2015

Instructions:

Written Marketing Plan: Provide a complete yet succinct Multichannel Direct Marketing Plan, including a discussion of the situation analysis (with a brief swot and opportunity analysis). The plan should include campaign objectives, creative, offer(s), lists, schedule/timing, creative mock-ups/scripts, response metrics, budget (“ballpark numbers”), and finally to explain how the communications will be integrated for maximum impact. Summarize your campaign plan in a professional report. Reports are due August 11 at the beginning of class. The integrated campaign must employ at least three DR response media with a direct mail (addressed) and a web-landing page as two mandatory elements.

Marketing Case Cars On the Go – An Alternative to Leasing/Purchasing Vehicles

Business Background

As Membership Manager for the fictional company “Cars On the Go” (COTG) you are responsible for growing the membership base through direct to consumer marketing initiatives.

Operational since 2008, COTG is an established Toronto based car sharing service provider servicing key markets including Toronto and Montreal. It currently has 30% market share in each market it serves and is the one of the few companies that offers services in multiple cities, a key benefit factor for its consumers that are frequent business travelers.

Industry Facts

The car sharing market is a fast growing market. First introduced in Europe in 1987, it has been embraced by consumers worldwide as a cost effective alternative to car ownership in major urban centers.

The growing appeal of car sharing as an alternative mode of transportation is numerous. With gas and insurance fees at all-time highs coupled with challenging economic conditions households have been assessing expenditures and looking at cost cutting measures. Public transportation in city core’s where car sharing is most serviced is generally very efficient and urban dwellers are much more accepting at its use in addition to biking and walking.

The condo boom, specifically around public transportation arteries has created less of a need to own a vehicle. It goes without saying, environmental concerns and carbon footprint reduction is another key benefit. There are also two major social benefits of car sharing - there are fewer vehicles on the road and lower emissions.

Based on a membership based business model, consumers pay an annual membership fee with on demand access to vehicles on a pay per travel fee structures. COTG offers a very competitive fee structure with annual membership fee of \$45 with an hourly rate of \$9.50. Reserving a vehicle is easily done online and there are over 50 locations in each market that it serves for pick up and drop offs.

Cars On the Go

With anticipated rapid industry growth in Canada, COTG has tremendous growth potential. However, it also anticipates barriers that may reduce their potential share of market. In Toronto alone, COTG is facing direct competitive threats by 3 new players and 2 current market leaders. In addition, car dealerships and rental companies are also entertaining thoughts of providing this service. From a price perspective the competitive advantage from one provider to another is marginal. Typically the number of vehicles, types of cars and pick up locations distinguishes a player like COTG from new companies.

COTG has a total of 10,000 active members across its 2 markets. Attrition levels trend at 18% annually for the last three years and they have been averaging 4,750 new members annually for the last two years through limited marketing & advertising initiatives. In the past, direct mail, search engine optimization (SEO) and search engine marketing (SEM) have been successful channels for acquiring new members. Each channel has a different cost per acquisition that impacts the overall budget allocation. Targeted addressed mail accounted for 45% of total new sales, online marketing accounted for 35%, unaddressed mail accounted for 5% and remainder was attributed to organic sales. However, there was a direct correlation to increase in organic sales with increased marketing initiatives.

Customer Profile

COTG requires that individuals answer demographic and life stage questions as part of the membership enrollment process. This has allowed them to further refine their overall segmentation strategy for both acquisition and retention campaigns. Tactically, they currently use member information for new member targeted marketing programs, both offline and online as well as for other media.

Overall profile statistics include:

- Condo dwellers 59%
- Renters 55%
- Ages:
 - 19 - 25 - 23%
 - 26 - 35 - 28%
 - 36 - 45 - 18%
 - 46 - 55 - 12%
 - 55 + - 19%
- Two member households 69%
- Recent grad 49%
- Never owned a car 39%
- Plan to buy a car in next 2 years 42%.

For COTG and its competitors growth barriers do exist. Canada is a car dependent culture. Changing public sentiment is a challenge. There is also a misconception of what car sharing is: what is the difference compared to car rentals and what are the true cost benefits. How to position clear a benefit when services are alike is a general marketing challenge for the industry.

It is a for profit organization although of all the market players it is the most “green” perceived. The majority of its fleet is eco-friendly and fuel-efficient. Some partnerships have been announced and are being integrated into their marketing plans. COTG has partnered with three universities in Ontario and 2 in Quebec to offer services as a pilot project. The 5 universities have a total enrollment of 229,578 students. This database is rich in data and will provide the opportunity for highly targeted messaging. Demographically, the students are younger, community engaged and online active which aligns with key marketing strategies for COTG.

They feel these announcements will provide clear differentiation from its competitors.

As part of their growth plans, they plan to add community and company affiliations and expect that they will be able to offer discounts to local services for its members.

Marketing Assignment

The executive team has recently shared the 3-year business plan to its employees. The company expects to triple its membership base and revenue during that period.

For 2016 specifically, the acquisition team has been tasked with adding 11,500 new members in Canada (calendar year). The company executives feel that with its recent partnerships, current market opportunity, dominant brand and 15% increase in marketing budget, the new member target is achievable.

Your 2016 direct marketing budget is \$950,000 and you have been asked to develop an acquisition focused integrated direct marketing strategy with a minimum of 3 channels. The strategy should provide details on how you expect to achieve your new member targets and what direct marketing vehicles you will allocate your budget to. Your plan will require executive approval. The budget is to be used directly for your integrated direct marketing strategy and not for branding.

Assume that the average new user will spend \$200 per month or \$2400 /year and that the cost of goods is 60% on average and that overhead is 20% of sales. Use a chart format to summarize the cost of all your tactics and don't forget to include testing costs. Use a chart similar to the one below to present your financial results.

Results Expected

Tactic	COST of tactic	Number of contacts	Expected RR%	Expected # Sales	Cost per response	ROI %

Marking Rubric – Written Report – worth 30% - maximum 10 pages plus Appendix

Item	Mark	# pages
Background Situation analysis – What is the business opportunity? Go beyond info provided to add your own insights about problems, opportunities and analyses of the car sharing industry. Summarize any additional learning about the auto share and rental sectors, consumer trends/shifts, which contribute to this industry's growth.	10	1- 1.5
Competitive overview analysis - Outline the competitive landscape (key competitors and competitive issues that COTG share need to address – may need some research here.	4	1.5
Business objectives (SMART, specific, measurable, attainable, relevant, time bound) - Restate the company's overall business objectives. What are the quantified goals you are trying to achieve? Demonstrate your understanding of what you are trying to accomplish.	4	Half page
Target Audience: Identify your primary & secondary target audiences and any other possible customer segments. What are their profiles?	10	½ - 1 page
Audience objections -Identify the reasons why your target audiences, may not be currently buying? What obstacles does your plan need to overcome?	4	½ page
Marketing Strategy - Benefits – What are the products features & benefits that might attract this audience to purchase an auto share plan? (6 points) Unique Selling Proposition – What is unique about COTG's offering? What sets them apart from the competition? What's "in it" for the customer? (5 points) Rationale - How will COTG achieve its business objectives? Summarize the rationale which applies to your entire tactical plan. Do not list your detailed tactics here. (4 points)	15	½ to 1 page
Communications Objectives – What is the single most important message you need to communicate to each of your targeted segments to get them to purchase? What secondary messages, if any, are there? What action (s) do you want?	6	¼ page
Offer – What offer/incentive (s) should be made to increase your audiences' likelihood to respond? HINT: This must be considered as part of the overall budget so you will need to do a costing for any incentives and fulfillment.	5	¼ -½ page
Tactics and Implementation – Describe your marketing campaign components, quantities and costs. Explain how they relate to your targeted audiences. Include a 1-year tactical calendar to show when your marketing activities will occur. Is there seasonality? How will you effectively reach your target audience(s)?	10	2 - 3 pages plus Appendix
Creative Mock –up – Prepare a rough mock up for one of the target audiences - full letter and outer envelope for Direct mail OR Full email including from and subject line. This should be in Appendix (likely free standing material)	10	A paragraph to describe & Appendix
Budget – Provide a summary of your costs for the activities recommended in your plan. Detail any assumptions made in your calculations	6	½ page - use a chart
Anticipated Results – What is the single most important measurement of success required to meet your objectives, and why? Are there any secondary measurements of success that are important, and why? Be realistic with your numbers. Also include your Return on Investment (ROI) by tactic.	6	½ page plus details in Appendix
Overall written presentation style – business style, clear and easy to read – succinct. Must have page numbers, Cover sheet, Bibliography, Appendix	10	
TOTAL - should not be more than 10 pages in main report. Use a fact based business-writing style.	68	

15.2 APPENDIX B: COTG SWOT

<i>STRENGTHS</i>	<i>WEAKNESSES</i>
<ul style="list-style-type: none"> • COTG has 7 year experience in this market and thus has established well-known brand • Company is functioning in densely populated cities (including Toronto, Montreal) maintaining a market share 30% in each • COTG cars are popular among frequent business travelers consumers, because it is one of not many companies who provides its service in two cities, • Big membership base: 10,000 active members • Attrition level (18%) is considerably lower than acquisition level (roughly 4,750/10,000=47.5%) • Competitive fee structure • Easy to find car online • Providing convenience: 50 locations across cities for pick up and drop offs • Company is using successful and effective marketing channels • Good membership database – provides company with useful information about its target customers • Company is perceived as most green among competitors because it provides most fuel-efficient and eco-friendly cars • Good partnering agreement • Available marketing budget for further development 	<ul style="list-style-type: none"> • Organic sales highly depend on marketing initiatives • 42% of companies current members are planning to buy their own cars in next 2 years • 69% of our current members are two member households who are likely to have children in a foreseeable future, and thus are likely to purchase a family car
<i>OPPORTUNITIES</i>	<i>THREATS</i>
<ul style="list-style-type: none"> • Main trends in almost all markets today: cost-effectiveness, time-saving and convenience • Car sharing is fast growing market in Canada meaning considerable growth potential or COTG • More people are looking for possible ways to save money and be more cost efficient • Condo boom trend – people prefer to live in condos near city's main transport arteries, which decreases their need in own vehicle • People are becoming more environmentally concerned • Students present great potential target market for this business • Communities and company affiliations may be considered as untapped target market as well • Great potential for electric car sharing business in big cities (Magder, 2015) 	<ul style="list-style-type: none"> • Existing competition: 2 established competitors and 3 new market players • Potential competition: rental companies and car dealerships are planning to enter the market • Car manufacturers also are entering the market through producing special electric cars for this goal, such as BWM i3 (DriveNow USA) • Indirect competition: Uber and taxi companies • There is no opportunity to leverage price as a competitive advantage because difference in pricing among competitors is margin • North America – car dependent culture – people feel need in having personal car • Some companies such as Student CarShare already entered this specific segment of market and other market players are planning to (Owram, 2015) • Students as target market may be risky as they usually have less driving experience • Lack of parking spots – also Strict parking rules in Toronto, which restrict number of cars for share

15.3 APPENDIX C: TARGET PERSONAS

15.3.1 *'PRACTICAL GREENSERS'*

These individuals are Millennials, recent graduates and currently living with their parents while working towards financial stability or on campus. They typically live further away from the city centers, requiring about 40 minutes to an hour travel time via public transportation. At times they are forced to sacrifice active downtown social life, however, being tech savvy allows them to stay in the loop with their social circle. Practical living and low costs are the main factors driving their buying decisions.

15.3.2 *'INTERNATIONAL WANDERERS'*

They are international students who live within walking distance to campus. While the convenience of living in the city makes owning a car an unpractical choice, it puts constraints on their ability to travel spontaneously. When traveling long-distance, this segment usually uses Greyhound, Via-Rail or carpool. They prefer to drive themselves, as it is the most convenient way for them to explore and experience a foreign country.




15.4 APPENDIX D: GENERAL DEADLINES

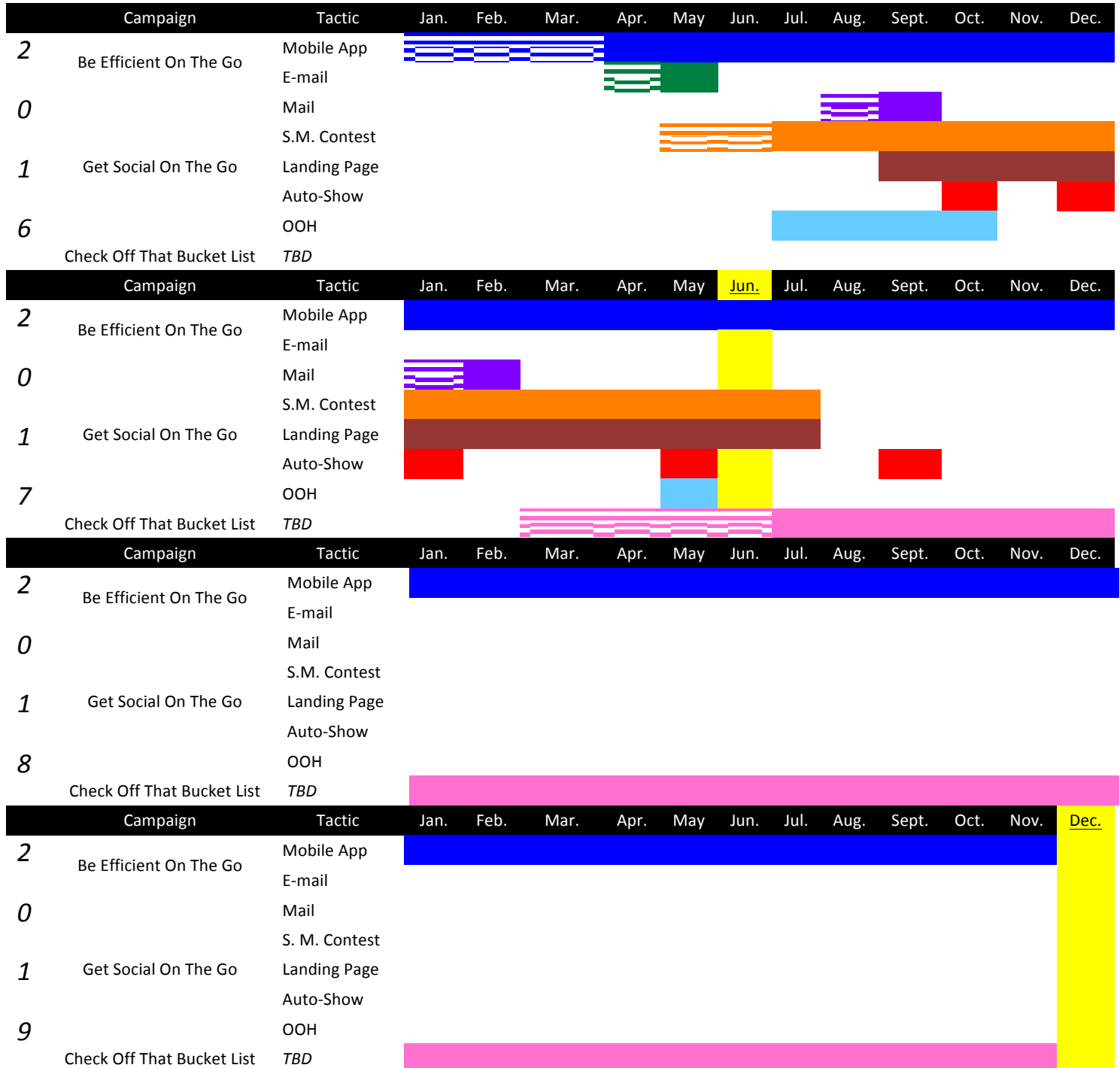
These are general deadlines for the agency/marketing team to support in creating the timeline

YEAR	QUARTER	WHAT
2015	Q3/ Q4	Agency creates and delivers pitch for COTG
2016	Q1	Budget Awarded from COTG (\$950,000)
2016	Q1/Q2	Prepare for creation of deliverable
2016	Q2	Start launch of deliverables/ Test
2016/2017	Q3, Q4, Q1, Q2	Campaign in Full Gear
2017	Q2/Q3	Start Winding Down Campaigns
2017	Q4	REACH SHORT TERM OBJECTIVE
2017	Q2/Q3	Plan and test new campaign; Start execution
2019	Q4	REACH LONG TERM OBJECTIVES

15.5 APPENDIX E: TIMELINE

This is a timeline to inform COTG when deliverables will be executed and delivered to the public using Microsoft Office.

 Solid Fill: Execution
  Stripes: Creation of Deliverable/ Test
  Yellow: Objectives to be met at this time



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- share your COTG experiences with your friends

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15.7 APPENDIX F: RESPONSE RATES AND CONVERSION BENCHMARKS

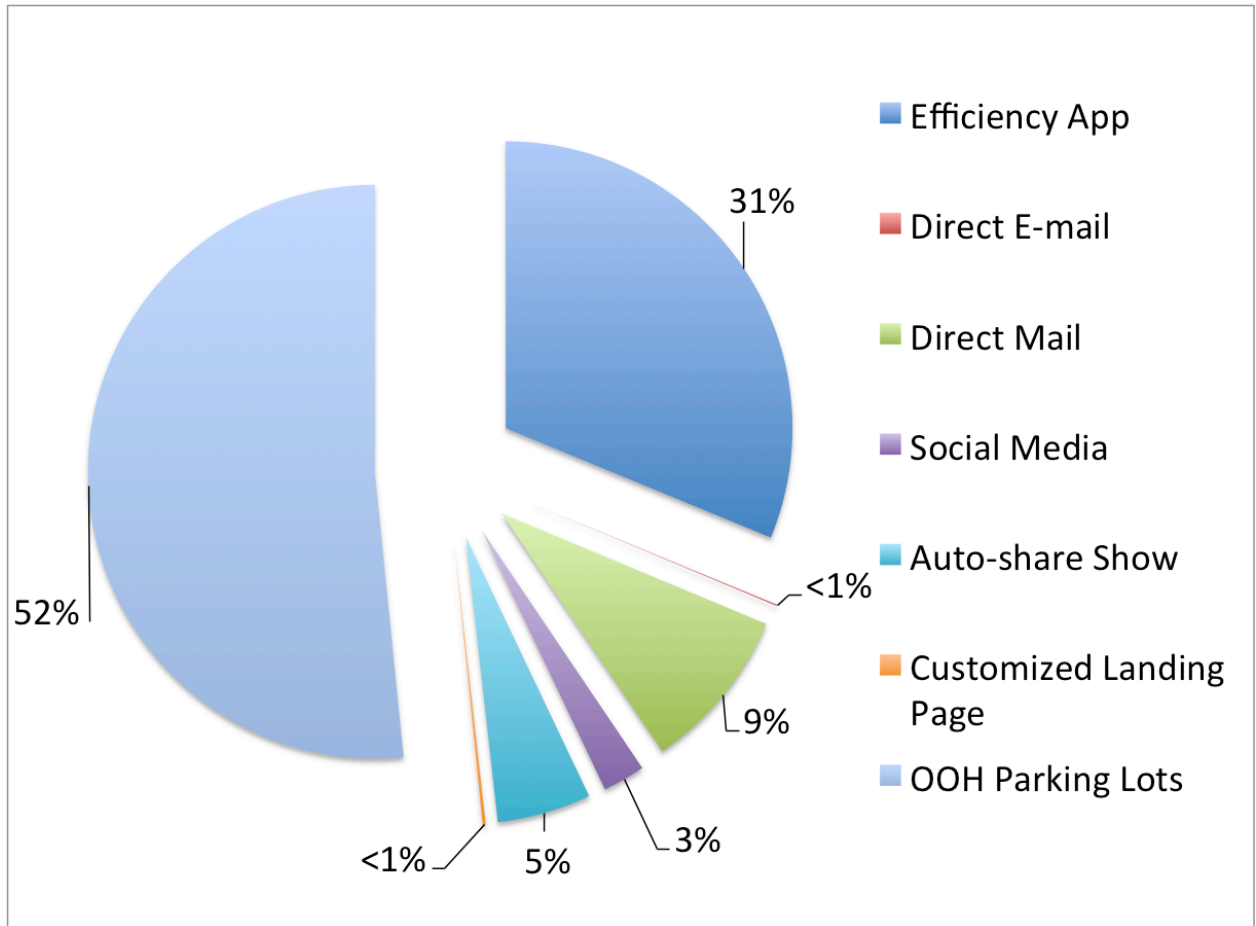
<i>MEDIA</i>	<i>VIEWS/RR%</i>	<i>AVERAGE COST</i>	<i>WEB SOURCE</i>
Mobile App	13%	\$ 204,750	(Otreva, N.D) (Marketing Charts, 2013)
Direct E-Mail	0.1%	\$ 0.001	(Marketing Charts, N.D) (SendGrid)
Social Media	0.1% and 6%(views)	\$4,000-\$7,000 per month	(Marketing Charts, N.D) (The Content Factory, 2014) (Dougherty, 2014)
Direct Mail	3.7%	\$ 0.38	(Marketing Charts, N.D) (DirectMail, 2015)
Landing Page	2-5%	\$1,199	(99designs, 2015) (Kim, 2014)
OOH Parking Lot	23% 0.001%	\$2,500	(Marketing Charts, N.D) (Prosser, 2013)
Auto-Shows/ Experiential	Varies	Varies	Experience with Mosaic Sales Solutions

15.8 APPENDIX G: FINANCIAL BREAKDOWN

15.8.1 PROJECTED BUDGET REQUIRED

Tactic	Process	Quantity/Hour	Charging Rate	Cost of Tactic	Cost of Tactic
Efficiency Mobile App	Project Management	170	\$75.00	\$12,750.00	\$296,625.00
	Front & Back end Development	820	\$200.00	\$164,000.00	
	Creative	285	\$175.00	\$49,875.00	
	Other	1	\$70,000.00	\$70,000.00	
Direct E-Mail	Creative	4	\$75.00	\$300.00	\$610.00
	Project Management	4	\$75.00	\$300.00	
	Production	10,000.00	\$0.001	\$10.00	
Direct Mail	Creative	5	\$50.00	\$250.00	\$87,864.64
	Project Management	5	\$75.00	\$375.00	
	Production	229,578.00	\$0.38	\$87,239.64	
Social Media Contests	Content Management	360	\$20.00	\$7,200.00	\$22,700.00
	Awards	1	\$15,500.00	\$15,500.00	
Auto-Shared-Show	Management	6	\$20.00	\$120.00	\$50,320.00
	Miscellaneous	2	\$100.00	\$200.00	
	Sponsors and Experts	5	\$10,000.00	\$50,000.00	
Customized Landing Page	Creative	4	\$35.00	\$140.00	\$1,640.00
	Development	30	\$50.00	\$1,500.00	
OOH Parking Lots	Rental of Spots	50	\$200.00	\$10,000.00	\$490,240.00
	Creative Experts To Pick Winners	12	\$20.00	\$240.00	
	Production	5	\$96,000.00	\$480,000.00	
Travel Discounts	TBD				\$-
TOTAL					949,999.64

15.8.2 BUDGET ALLOCATION AS PERCENTAGES



15.9 APPENDIX G: ANTICIPATED RESULTS BREAKDOWN

DELIVERABLE	FACTOR	PERCENTAGE (#/%)	CALCULATION	TOTAL
Efficiency App	Attrition rate will lift from 18% to 5%			
	Current Users sent direct e-mail	10,000		
	Download app from Direct Email and become users	(A) 2.0%	200.00	
	Current Users Tell their friends about app	40.0%	80.00	
	Friends try App	(B) 10%	20.00	
	Friends Will become new Members	(C) 50%	10.00	10.00
	Number of Students	229,578		
	Learn about our app through Google Play/Apple Store	(D) 10%	22,957.80	
Social Media	Will Download App	(E) 13%	2,984.51	
	Become Members	5%	149.23	149.23
	Number of Students	229,578	-	
	Viewers	(F) 6.0%	13,774.68	
	Sign Up for Membership	(G) 0.10%	13.77	13.77
	Number of Viewers	13,774.68		
	Number of people who share	(H) 3.00%	413.24	
	Of Friends will Sign Up	(I) 6.0%	24.79	24.79
Auto-Shared-Show	Number of Students	229,578	-	
	% By Passers	30%	68,873.40	
	Sign up	2%	1,377.47	1,377.47
	Of these 30%, people who will sign up for COTG features	30%	20,662.02	
	Become New Users	2%	413.24	413.24
Customized Landing Page	All Students	229,578		
	Share Landing Page	(J) 3.0%	6,887.34	
	Signs Up to Be A New Member	10%	688.73	688.734
OOH Parking Lot	All Students	229,578		
	View OOH Parking Lot Display	(K) 23%	52,802.94	
	Sign Up To Be New Users	(L) 1%	528.03	528.03
Direct Mail	All Students Receive	229,578		
	Respond and check QR Code	(M) 11%	25,253.58	
	Will Become New Numbers	13%	3,282.97	3,282.97
Combination of all Efforts	All Students	229,578		
	Combination Efforts	3%	6,887.34	6,887.34
FORECAST OF TOTAL OF NEW MEMBERS				13,375.57

- (A) – Above benchmark because targeted customers with incentives;
- (B) – Lower than benchmark because car related
- (C) – Assumed
- (D) – Assumed
- (E) – Benchmark
- (F) – Benchmark
- (G) – Benchmark
- (H) – Benchmark
- (I) – Benchmark is 4% but due to contest, assume increase to 6%
- (J) – Benchmark
- (K) – Benchmark
- (L) – Benchmark is 0.001% but due to call to action increase to 1%
- (M) - Benchmark