



*Intermix Marketing Plan*

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## 1. Executive Summary

This report was commissioned to develop a marketing plan for TOREM Inc. to give recommendations for brand positioning and audience engagement. The primary strategy for TOREM's product mix is to distribute products both online and in upscale gyms providing a high-quality, plant based products with a high level of transparency to its customers. Through streamlining the website experience and building a relationship with the customer bases of millennials and gym goers through email subscriptions, sponsorships, and social media, TOREM can build a strong foundation in the marketplace. As the American weight management market expands to \$61 billion, TOREM needs to focus on targeting 25-35 year-olds who are interested in weight-loss supplements and whom make up \$272 million of the market. By choosing to go after 0.05% of this segment, TOREM can hone in on potential consumers while having a reasonable market share objective, given it is in the introductory stage of the product life cycle. Primary and secondary research suggest that of the 25-35 year-old consumers interested in weight-loss management products, millennials and "gym-goers" are most likely to be willing to purchase a TOREM product. We will be utilizing a multi-segmented strategy to appeal to our consumers.

## 2. Vision Statement

TOREM ignites the inner warrior (*bellator*) that every person has through its body re-composition products, its united community of *bellatores*, and its drive to change lives and accelerate fitness success. TOREM strives to create the best possible experience with its sophisticated, yet simple products that have been rigorously curated, refined, and tested.

## 3. Mission Statement

TOREM is dedicated to help people of all fitness levels bridge the gap to their goals to help create the best possible version of themselves. TOREM provides supplements that are safe, scientifically supported, and of the highest quality. TOREM values integrity towards its customers in a market that is filled with misleading information and will give consumers what they deserve—real results with real expectations.

## 4. Marketing Objectives

As TOREM is relatively new in the marketplace, it may prove to be difficult to capture even a small market share in only five-years time. Being in its introductory phase of the product life cycle, TOREM needs to focus on creating brand awareness, informing consumers who it is and what their products are, and gaining the trust of the marketplace. It is important to first build the brand's equity to pique the consumer's interest and engagement. We want to give consumers all the information they need to understand what the brand represents and how it can help them achieve their goals. Through this lens, our marketing objectives are as follows:

**Brand Engagement:****We want:**

1. 890 unique daily visitors to the website through search engine optimization, social media marketing, word of mouth, and trade shows within a year's time of implementation given a 5% conversion rate of site visitors to purchases.
2. 8% of website visitors to double-opt in to our email subscription list within six months of implementation.
3. 100 unique product trials of Neco Adipem per month within six months of implementation.

**Sales Conversion:****We want:**

1. 4% of daily site visitors to make a purchase on the website within a year's time of implementation.
2. 10% of sales to be repeat purchases within a year of implementation.
3. to consistently sell nearly 1,334 units of Neco Adipem monthly within one year's time of implementation.

**5. Situation Analysis***5.1. Company*

TOREM is a supplement brand created in 2015 that focuses on providing high-quality fitness supplements. TOREM's name is derived from *bellator*, the Latin word for warrior. TOREM's culture is driven by what it means to be a true warrior of the city life. Products have been in production for less than nine months, and TOREM has already spread its product line to fitness apparel and drinking bottles, with a protein powder on the way. Its primary product Neco-Adipem is a fat burner sold for \$94.99 per box (60 servings). This weight loss supplement is a combination of separate, high-quality products already on the market. TOREM prides itself on its honesty and how it does not cheat the customer into buying supplements with man-made fillers. Often do competitors cheat their customers by giving them products that are falsely advertised. TOREM chooses to close that gap with honesty and transparency to ensure customers that they are being well cared for.

The company employs less than five people, including a freelance designer who designed the company's logo, its website, and the product packaging. Kenneth Montes, TOREM's founder and CEO, has years of sales experience selling the individual ingredients of Neco-Adipem to big-box fitness nutrition brands. His expertise with the products and the science that backs them are what give TOREM its solid foundation.

The overarching goal of TOREM is to capture 5% of the projected \$61 billion fitness nutrition market by 2021. TOREM wants to achieve this by creating a lifestyle company for its users that balances work, play, and fitness in the form of products. TOREM wants to branch out to more fitness apparel, more plastic products, and open an actual gym in the Southern California. TOREM's appeal comes from the Santa Monica, California feel in its products: sleek, sexy, and artistic.

### 5.2. Collaborators

NuLiv Science is the mother company that owns 30% of TOREM and is TOREM's outside financial backer. They provide their ingredients to create TOREM's supplements. Other collaborators include: a freelance graphic designer, Big Cartel (website provider), Nature Store (supplement supplier), Square (payment processor), Robinson Pharma (supplement manufacturer), Deluxe Screen Print (apparel manufacturer), and a blender bottle distributor with exclusive rights to produce TOREM products. Relationships with all collaborators are relatively well preserved.

### 5.3. Customers

Target customers are mostly comprised of men and women ranging from 20-45 years-old who live in metropolitan cities such as Los Angeles, Chicago, New York, and Miami. Their income ranges from \$60,000-\$150,000. Target customers have some college experience, value their time, and value high-quality products. They are concerned about their weight and are actively looking to change it. They act mostly on emotions. These people have demanding jobs and cannot be at the gym daily, nor do they have the dedication to follow strict diets to lose weight. They are "short-cut" seekers--people who wants results without much work. These consumers have tried to lose weight through combinations of dieting, workout regimes, and weight loss supplements. They are looking for a better alternative in their weight loss journey.

### 5.4. Competitors

According to [bodybuilding.com](http://bodybuilding.com), [webmd.com](http://webmd.com), [medhealthdigest.com](http://medhealthdigest.com), [womenshealthmag.com](http://womenshealthmag.com), [health.com](http://health.com), and [authoritynutrition.com](http://authoritynutrition.com), the top trending weight loss supplements from 2015 and 2016 are as follows:

**Garcinia Cambogia Extract**, or malabar tamarin, is a tropical fruit that blocks the body's ability to make fat and is an appetite suppressant. Women's Health has recently claimed it to be dangerous. Although it is a plant-based product, a 2005 study in Food and Chemical Toxicology found that high doses of garcinia cambogia extract caused testicular atrophy and toxicity in mice due to the hydroxycitric acid (HCA) it contains (5). This product retails on Amazon for \$18.64 (60 capsules), Walmart for \$9.98 (30 capsules), or GNC for \$19.00 (60 capsules). This product can be found in a capsule or chewable form.

**Hydroxycut** is a group of over-the-counter weight-loss supplements with active ingredients such as papaya, maqui, blackberry, amla extract, and saffron extract. Some Hydroxycut products include a green coffee bean extract and/or caffeine as a stimulant. Hydroxycut positions itself as a quick fat-loss solution. In 2004, Hydroxycut received negative publicity with its ingredient *ephedra* for its dangerous results and was forced to change its product line. It is currently sold by large retailers such as Wal-Mart and Amazon with products ranging from \$10-\$100 in the form of dietary drinks and pills.

**Caffeine** is a staple ingredient in many popular diet pills as well as in homemade, fat-burning stacks. It is known to primarily to cut weight by boosting metabolism and increasing energy levels. Caffeine is also considered a highly addictive drug. Regular users quickly develop a tolerance and

require higher dosages. Caffeine can be found in pills, coffee, tea, energy drinks, and foods. It is an extremely cost-effective weight-loss supplement. It can be purchased in pill form at pharmacies for \$11.99, on Amazon for \$7.75, at VitaminShoppe for \$5.89, and online. Many retailers sell them as a store-brand item.

**Orlistat** is a prescription drug that may also go by the names *Xenical* by Roche or *Alli* by GlaxoSmithKline depending on the country it is sold in. It prevents the absorption of fats when food is consumed by acting as a lipase inhibitor, which reduces caloric intake. Consumption is monitored by a health professional alongside a low calorie diet. Orlistat is known for moderate to severe gastrointestinal side effects. If a user eats foods high in fat while taking this product, they will experience pain, cramping, and more severe digestive side effects. This severely limits the types of food a user can eat. One advantage that this product has is that it is the only FDA approved, over-the-counter weight loss medication. No other product has been approved by the FDA. Orlistat is available on Amazon, at Target, Walmart, and multiple pharmacies for \$53-\$59 for 120 servings.

**Raspberry ketone** is an extract from raspberries (*Rubus idaeus*) and is commonly used as a supplement or an ingredient in foods or cosmetics. As a dietary supplement, it is used to create lean body mass and manage obesity. Raspberry ketone became popular after it was discussed on the Dr. Oz television show on a segment called “Raspberry Ketone: Miracle Fat-Burner in a Bottle” in February of 2012 (19). Despite its hype, there is no reliable scientific evidence supporting its effectiveness. It is said to be useful in conjunction with improved diet and exercise as it claims to release fatty acid from the body’s cells. Raspberry ketone comes in supplement form and retails from \$15.00 for 60 servings to \$19.00 for 90 servings.

**Green coffee beans** are unroasted coffee beans consumed for their high amounts of chlorogenic acid, a chemical thought to improve the body’s regulation of blood sugar and metabolism. Green coffee became popular for weight loss after it was shown on the Dr. Oz show in 2012 (20). It was claimed to help burn fat and required no change in diet or exercise. Some studies suggest that it can reduce the absorption of carbohydrates from the digestive tract, lowering blood sugar and insulin spikes. Other studies have shown that chlorogenic acid can inhibit fat absorption, burn stored fat, and improve the effectiveness of fat burning hormones. Green coffee beans can be found in supplement form for \$40 (90 servings) or in liquid form retailing for \$14 (60 servings).

**Glucomannan** is a dietary fiber extracted from the roots of elephant yam (konjac). It is available as a supplement and as a drink mix. Due to its exceptional ability to absorb water, it takes up space in the stomach and promotes a feeling of fullness, reducing appetite. Like other soluble fibers, it reduces the absorption of protein and fat. Some animal studies suggest it reduces fat gain due to its promotion of good intestinal bacteria. Glucomannan can be purchased in capsule form for \$15 (120 servings) or in powder form for \$13 for 8 ounces.

**Meratrim** is a formula blend of fat-blocking *Sphaeranthus Indica* and *Garcinia Mangostana*, which is then added to L-Carnitine and Green Tea. Despite the claims that these ingredients promote fat loss, there is no clear evidence that supports them. The labeling of this product fails to inform the

consumer of its potency and what it actually does. While it contains ingredients commonly used in the product category, it fails to disclose important information. Meratrim is available through various online sites as well as in retail stores in capsule form for \$33 (60 capsules)

\*Please refer to [Figure A](#) in the Appendix for a side-by-side comparison of TOREM's Neco-Adipem and these competitors.

### 5.5. Context

“The global weight-loss management market is expected to reach \$206.4 billion by 2019 from \$148.1 billion in 2014, growing at a CAGR (Compound Annual Growth Rate) of 6.9%. Major factors driving the growth of this market include an increase in the overweight population, strong government support and funding, increase in membership for health clubs, and technological advancements. It is the perfect time to enter this growing market, as North America currently holds about 32% of the dietary supplement market. Being based in Southern California, TOREM is geographically in a very active fitness supplement market which is a great starting point for the company. Based on primary research, we concluded that approximately half of the population in our target market does not have a favorable perception of weight-loss supplements. 49% of people surveyed between the ages of 25 to 34 do not use weight-loss supplements because they believe that they are an unhealthy, and 50% of respondents between the ages of 35 and 44 felt similarly.

There are supplement companies utilizing fast-growing technologies to develop new weight-loss supplements that will give them an edge over their competitors. With the discovery of leptin about 10 years ago, companies have been trying to find the perfect combination in their products to create the ideal weight-loss supplement. A growing trend in this particular industry is the inclusion of protein in weight-loss supplements. That being said, companies may be able to use protein as a competitive edge alongside other safe and effective ingredients that are scientifically supported.

There are certain regulations that must be adhered to. Firstly, supplements can never be promised to work. These supplements are for weight-loss management, but there is no promise consumers will lose a certain amount of pounds in any given amount of time. Misleading and false advertising is illegal; however, it is not actively regulated by the US government. Federal law requires that every dietary supplement be labeled as “dietary supplement” or with a term that substitutes a description of the product’s dietary ingredient(s) for the word “dietary” (e.g., “herbal supplement” or “weight-loss supplement”). All supplements are required to include the following disclaimer when marketing their products: “This statement has not been evaluated by the Food and Drug Administration. This product is not intended to diagnose, treat, cure, or prevent any disease.” The Dietary Supplement Health and Education Act of 1994 (DSHEA), which had a big impact on the sale of dietary supplements, does not require marketing and labeling of dietary supplements to require FDA approval. Under the DSHEA, supplements would be classified as “a subcategory of food and frees them from drug safety and efficacy standards.” Though supplements are in a food subcategory, the Nutrition Labeling Education Act of 1990 did not apply under the DSHEA.

## 5.6. SWOT Analysis

### 5.6.1. Strengths

TOREM is unique in the fact that it is an all-natural product producer with a high degree of transparency. Consumers are able to view the products and easily read and understand what is in the supplement and where it comes from. This is a massive strength for TOREM because its competitors' products are highly inefficient at educating their consumers on the quality of the ingredients in the supplements. TOREM's main product, Neco Adipem, is stimulant free and does not cause gastrointestinal issues unlike many competing products. Neco Adipem does not have any major side effects, and therefore does not list any on the packaging. Furthermore, Neco Adipem lives up to its claims, where many competing products fail to deliver. TOREM is also made locally, making production and quality control easier and more cost effective. Consumers in America like domestically made products, and are willing to pay more for them. Being able to stamp a product as "Made in California" helps TOREM assure consumers of the quality and the integrity of the product.

### 5.6.2. Weaknesses

A weakness of TOREM is that there is no distribution channel outside of its own facility. Consumers are only able to view its products on the TOREM website as opposed to finding them in a health-food store, a gym, etc. There is currently no extensive marketing for their main product, Neco Adipem, and it sits on the high-end of the price spectrum in its product category. Another weak point is the lacking descriptions of some of its products on the company's website along with a few grammatical errors, which diminishes its strength and credibility. The page also has some sections that are not user-friendly or appear choppy, which can cost the brand sales in the long run. In terms of credibility, TOREM also does not have any expert reviews or a substantial amount of customer opinions on their products, which makes the products appear to be less trustworthy. There is no disclaimer or side effects placed on the packaging or on the website listing, and this could lead to potential legal troubles if not addressed properly.

As a natural indication of a product in the introductory stage of the product life cycle, awareness and sales are low for Neco Adipem. The weight-loss supplement market is well developed and many people have already established beliefs and attitudes toward this industry. TOREM falls under these assumptions and will need to break these assumptions to move forward.

### 5.6.3. Opportunities

The supplement industry is a billion-dollar industry with consumers willing to spend a high amount of money to improve their image. Supplements can provide a solution to their self-doubt and insecurities. At least one in every three adults in America is medically obese, and a large portion of them are looking to change it. Most believe in healthy dieting and exercising while giving consideration to drugs to aid their journey. The competition uses placebos and synthetic ingredients in their products, something some consumers do not like. We can use natural ingredients in TOREM's product line to soothe these consumer concerns and make them feel good about what they put into their bodies. It is important to use natural ingredients as a lever in promoting Neco Adipem with no risky side effects. Most people are reluctant to try weight-loss supplements because of the risk associated with the realm



of fitness drugs, and with the right message, we can bring back those customers. TOREM can distill this belief with its transparency and natural ingredients in its products.

#### 5.6.4. Threats

There are numerous supplement companies who use similar ingredients in their products and whose results of weight-loss are much higher. They have more reviews for their products and therefore inherently appear more credible. Other supplement companies have large budgets to spend on advertising, marketing, and research and development. They also have a strong hold on their market share and are advancing to increase its size.

\*Please refer to [Figure B](#) in the Appendix to see SWOT Diagram.

## 6. Strategic Directions

The global weight-loss management market is thriving with established companies, products, and consumer bases. TOREM should enter this existing market with intentions to target millennials and regular gym goers. As a new supplement company introducing a new product to the existing market, TOREM's strategic growth direction is product development. With this, we want to emphasize the measurable benefits of Neco Adipem against bigger competitors and the lack of negative aspects. From here, we can differentiate TOREM as a non-traditional supplement company that values transparency.

\*Please refer to [Figure C](#) in the Appendix to see Ansoff's Matrix.

## 7. Target Market Description

There are numerous articles, surveys, and global statistics that have been published about the weight-loss management market. Peter Leighton, a Nutraceutical and Biotech Industry Executive discusses his view on the weight-loss market by explaining that it is “not a single category, but rather a stratified market based upon consumer attitudes, behaviors, and motivations...Each segment seeks different solutions (products) and is driven by unique motivations” (11). Our primary and secondary research has lead us to agree with Leighton's statement. Consequently, TOREM will be utilizing a multisegment targeting strategy. Out of the major segments identified, we found the “inactive millennials” and the “dedicated gym-goers” to be the most valuable and desirable segments. This decision was based on an understanding of each consumer segment and each segment's ability to meet the following five criteria: substantiality, measurability/identifiable, accessibility, responsiveness, and brand fit. Substantiality is how big the market segment is, measurability is how easy it is to identify that segment, accessibility is how easy it is to reach that segment, responsiveness is how likely they will respond, and brand fit is how closely it that segment relates to the brand's image.

\*Please refer to [Figure D](#) in the Appendix to see an in depth segmentation analysis displayed via a consumer/benefit segmentation chart.

### 7.1. Inactive Millennial

The “inactive millennial” segment is the most commonly referred to customer of weight-loss supplements. Although this group is widely discussed and generally accepted as the market's obvious

consumer, we found it pertinent to back up this assumption with secondary research. Conducting secondary research also enabled us to discover more demographic traits of this identified segment.

Peter Leighton focuses his studies on this segment and refers to this group as those who desire, “limited consumer sacrifice” or are not willing to take big purchasing risks. He associates this group with cyclical dieting and claims that most of their usage is event-triggered (11). Similarly, Heidi Rosenberg, senior PR counsel at BrandHive, refers to this segment in her studies as the “driven to lose” segment. She argues, “The driven to lose segment is primarily driven by the need for weight management...Because they are overweight or obese, they not only want to feel better about themselves, but they may also be driven by medical issues” (12). She describes their lifestyle as demanding and prevents them from eating healthy or exercising. Rosenberg suggests this that despite their desire to lose weight, these individuals have great difficulty trying to change their routines and implement new regimens. Lisa Holmes, a senior survey analyst at Euromonitor names this segment the “weight-loss dieters.” She published an article in January 2015 that elaborates on the age and behavioral traits of this segment, “Younger people, by contrast, may be more inclined to eat whatever they want then compensate by dieting later. Thus, not only should marketers consider under 40s a strong target for diet foods and regimens, they may want to reach this segment by positioning such fare as a form of atonement for those occasional periods of indulgence” (14). The U.S. National Library of Medicine supports Holmes’ claim that this segment is comprised of “younger” people. In 2008, a survey with a sample of 3,500 U.S. adults revealed that 33.9% (n = 1,444) reported “ever using a dietary supplement for weight loss” and that supplement use was more common among “those aged 25–34” (13).

## 7.2. *Dedicated Gym Goer*

The “dedicated gym goer” segment is strongly supported by our primary research as well as by the research of Heidi Rosenberg. Our primary research consisted of an online Qualtrics survey that questioned 113 individuals, both male and female. This survey was dispersed on Facebook for two weeks and provided valuable insight on the opinions of the weight-loss industry from our target segment. The findings from our primary research indicated that there may be another, dramatically different, segment that TOREM has the potential to target. Considering the limitations of our sample size, we found it necessary to support our findings with secondary research.

The demographics and behavioral traits of the 24 respondents who agreed they are “likely” or “very likely” to take weight loss supplements (without regard to cost) is as follows: 70% are younger than 35 years old (Figure E), 70% are classified as either “underweight” or “normal weight” according to the BMI calculator (BMI < 24.99; Figure F), and 70% regularly exercise at least two to three times a week (Figure G). Despite these seemingly positive attributes, 56% of respondents reported having “neutral” or “dissatisfied” feelings toward their current weight loss (fitness) regimen (Figure H).

Heidi Rosenberg refers to this segment as the “performance driven” group. She explains that these individuals are “young and very active,” seek “solutions that give them a performance advantage and a winning edge,” as well as “strive for more power and energy to support strenuous exercise.” According to Rosenberg, this segment is characterized by the “work hard and play hard” motto. These individuals exercise regularly and “tend to be early adopters of new products and those with unique benefits.” With an aptitude to try new products, these innovators are critical for TOREM’s success, and can increase awareness in their inner circles. As a group leader, they have heavy influence on what their friends think about a brand. Our selection of this segment is solidified with her last remarks about this

particular group, “When they do find products that produce proven results and noticeable outcomes, they remain loyal to these brands. They want to feel the effects. They put the functional benefits delivered over taste and cost” (12).

### 7.3. Sizing the Market

The National Institutes of Health Office of Dietary Supplements published a report in February 2016 concerning dietary supplement consumption for weight loss. This report expands upon the use of weight-loss supplements in the United States. “Approximately 15% of U.S. adults have used a weight-loss dietary supplement at some point in their lives, with more women reporting use (20.6%) than men (9.7%). Americans spend about \$2 billion a year on weight-loss dietary supplements in pill form (e.g. tablets, capsules, and softgels), and to lose weight is one of the top 20 reasons why people take dietary supplements” (16). The results from a U.S. National Library of Health survey in 2008 are even more compelling. The survey had a representative sample of 3,500 U.S. adults and revealed that 33.9% (or 1,444 people) reported ever using a dietary supplement for weight loss. In fact, supplement use was more common among those aged 25–34 (13). Just a year prior, the Journal of the American Dietetic Association released an article stating, “An estimated 15.2% of adults (women 20.6%, men 9.7%) had ever used a weight-loss supplement and 8.7% had past year use (women 11.3%, men 6.0%); highest use was among women aged 18 to 34 years (16.7%)” (15).

Various sources, studies, and surveys help validate our market’s substantiality according to past trends. In regards to what the future holds for the global weight management market, a Markets and Markets press release states, “The global weight loss and weight management market is expected to reach \$206.4 billion by 2019 from \$148.1 billion in 2014, growing at a CAGR of 6.9% from 2014 to 2019” (6). Although the statement refers to the global market, Euromonitor International published a U.S. Country Report revealing, “The US is the world’s largest weight management market, holding a 30% value share of global weight management sales in 2015” (17). It’s safe to say that the United States will maintain this 30% value share in market; in fact, it’s likely that the U.S. position will increase. A PRNewswire further supports this assumption in a statement summarizing their results of a United States study, “Factors such as rising obesity rates, increasing risks of lifestyle diseases, increasing number of bariatric surgeries, increase in disposable incomes, and technological advancements are driving the growth of the weight loss and weight-management market” (8). Therefore, if the United States maintains 30% market value in 2019, with a projected \$206.4 billion global market, one can predict the U.S. weight management market will be nearly \$61.92 billion in the next three years.

318.9 million is the total U.S. population (2014)

× 15% of U.S. population uses dietary weight loss supplements

= 47.835 million is the total population of dietary weight loss supplement users in the U.S.

× 13.6% of total U.S. population is in the 25 - 34 age bracket (2014)

= 6,505,560 is the total population of 25 - 34 year old dietary weight loss supplement users

\$2 billion annual spend on dietary weight loss supplements in the U.S.

÷ 47.835 million is the total population of dietary weight loss supplement users in the U.S.

= \$41.8104 annual spend per dietary weight loss supplement user in the U.S.

× 6,505,560 is total population of 25 - 34 year old dietary weight loss supplement users

= \$272 million annual spend of 25 - 34 year old dietary weight loss supplement users in U.S.

This calculation must also be taken as a conservative estimation of the market size for three reasons. Firstly, the above information was taken from 2014 census data and the market has since grown. Secondly, in the calculation determining the total population of 25-34 year old dietary weight-loss supplement users, there is an underlying assumption 25-34 year olds only make up 13.6% of the total population of weight-loss supplement users in the U.S. Considering all of our research has supported 25-34 year olds to be the largest group of dietary weight loss supplement users, this estimation has grossly underestimated the total population of 25-34 year old dietary weight loss supplement users. Third, in the calculation determining the annual expenditure of 25-34 year old dietary weight loss supplement users, there is an underlying assumption that the annual spending of all supplement purchases is distributed evenly among individuals. We know this is inaccurate because the 25-34 year old age bracket is the largest segment of dietary weight-loss supplement users and would therefore have a larger annual expenditure than any of the other age brackets. Even if the results of this conservative sizing of the market were accurate, TOREM would still be sustainable in this market.

## **8. Marketing Mix**

### *8.1. Positioning Strategy*

TOREM is in an excellent position to take advantage of the gaps the competition creates in terms of company transparency, honesty, and unity. In this industry, “high-quality product” is a loose terminology for what competitors believe is “good enough” for the consumer. TOREM providing a clear-cut stance on what high-quality is can undermine competitors by exploiting their weakness and capitalizing on customers’ confusion. We can help customers see what truly is good for them and what is not. We can define a high-quality product as one that is scientifically supported with real results and that contains exactly what the advertising suggests. Too often do competitors label their products containing a well known ingredient, only to cheat the customer by providing the minimum amount of that ingredient needed to list it on their packaging. All other parts of the those products are placebo fillers or subpar substitutes. TOREM needs to be transparent and honest towards consumers not only because consumers are willing to pay for honesty, but because integrity is the only way to sustainable success. This over time will build rapport and credibility with the marketplace. Moreover, those that are interested in exercising and dieting but that have trouble being consistent are often intimidated by “gym rats” and bodybuilders in the gym. There is a sense of distance between the new gym goer and the regulars. TOREM should dispel that belief by creating a community feel of its brand that incorporates people of all fitness levels. This will encourage new players of the game to feel welcomed. TOREM should utilized images in its advertising with people of various fitness levels to make all feel welcomed, as there is a warrior within us all, and that is what TOREM stands for. Using pictures of people similar to the customer help the customer relate to the brand. We should also refer to all customers as members of a family: You are a bellator. This will make customers (bellators) feel included in the TOREM family and remove negative connotations to the word “customer.” Just as Disneyland refers to its customers as guests, we can give respect to our clientele by making them feel cared for in that one word, *bellator*.

Coming from a competitive standpoint and points of similarity, TOREM also boasts a competitive product that suppresses appetite, helps cut fat, and that wants to promote a positive sense of well being. It has similar popular ingredients, and can also be found on social media. From its differences, it avoids the flashy appearance competitors boast. This can be seen in its product packaging and its brand presentation. It strives to be sleek and sophisticated. Down to the packaging of Neco-Adipem, the sophisticated appeal shows in its matte-finished box. Competitors mostly use plastic bottles to present their products with loud, reflective materials and colors. Competitors such as BSN focus on the top-level gym goers who are ego driven. TOREM can shed light in the gym by giving people a more fitting mindset for them while working out. TOREM is about being a warrior of the city life. We want to enjoy life as it comes and have the wits and strength to take control of it. We have the humility to respect our place in the world, but the class to enjoy it to the fullest. For TOREM to reach its objectives and gain greater market share, we must emphasize its points of difference.

\*Please refer to [Figure I](#) in the Appendix to see the POP/POD Framework.

### 8.2. *Product Strategy*

Neco Adipem is a premium supplement that **promotes** fat burning for the new-supplement user and the long time gym rat. If you are looking to make a big change in your life and lose 30lbs or finally get that last 10lbs off for good, Neco Adipem can do that for you. By appealing to millennials and gym goers, we are hitting the groups that have ability and willingness to buy Neco Adipem. Furthermore, Americans like domestically made products and appreciate a “Made in USA” tag on. Utilize this in all product packaging and in ads.

What makes Neco Adipem so compelling is its highly supported test results and testimonials. It also contains no fillers or stimulants that would otherwise give users mood swings and feelings of jitteriness. It is a packed combination of well known products such as InnoSlim and Actigen which are the actual tested, recommended amounts of each product for maximum effect. The ingredients themselves are all extracts of plants, so there are no synthetic ingredients being consumed, which puts Neco Adipem ahead of most competitors. It also provides double (60 servings) the typical servings competitors provide. Using differentiation as a strategy, we are able to charge a premium price.

Adding a money-back guarantee is another opportunity to soothe consumers and remove the barriers to a purchase. If customers are not completely satisfied with the product, TOREM should offer a money-back guarantee for customers who can either keep the product or send it back along with an email with their thoughts and how they believe it can be improved. Making a mandatory survey response with return helps TOREM see where it might be lacking.

### 8.3. *Distribution Strategy*

As a new company with a new product, we are in the introductory phase of the product life cycle. This phase implies that our distribution strategy should be selective as the target market has low awareness of the company. Being a high-end, high-quality product also confirms our decision to use an exclusive distribution strategy. When we distribute through just one or two outlets it is considered exclusive distribution. This is a common form of distribution in products and brands that seek a prestigious image.

Because the product is still in the introductory stage, using an exclusive distribution strategy would be considered best for a few reasons. If multiple companies put the product on retail shelves,

competing retailers will discount the product to stay competitive among each other, and a price war will surely ensue. Within a few months, the product will continually drop down in price, customers will get use to the price, and a new product will need to replace it as customers are now accustomed to a low price. Consequently, the company's image may be negatively impacted and be perceived as another mid-range company in a saturated market.

One example of this strategy is the BodyQuick performance brand who sold their performance product with only one retail provider and on their online store to eliminate all possible price wars. It became a successful, high-end product with plenty of testimonials to vouch for its value. It never lost its luster through its effective and narrow marketing, and the company was eventually sold for millions in the mid 2000s. They researched their market heavily, let people try the product out extensively, and promoted their product as exclusive. Their target market was the mid-level athlete who wanted to have sharp focus during performances. We can learn a lot about our possible promotions from this story. Neco Adipem should be sold exclusively on TOREM's website and through select upscale gyms and/or specialty health-food stores. This product should not be available at GNC or any mainstream supplement store. In order to maintain a high-class image.

#### *8.4. Pricing Strategy*

Neco-Adipem is currently priced at \$94.99 (MSRP). It is about double the price of competitors' products. For its transparency, exclusivity, and quality, it can command this price. Being in the introductory stage of the product life cycle, marketing and educating consumers should be the biggest priority for the company. A price-skimming strategy over the life of the product would greatly benefit sales. This is when a product is initially offered at a high price and then lowered later in the product's life when competition begins to compete directly with the product's benefits.

Consumers seek quality, so products priced highly are generally perceived as high-quality products because of the price-quality heuristic, the belief that expensive products are good quality. In this introductory phase of the product, it is very important to not cut prices or have sales. The reason for this is because a new product that has been available for a short time that goes on sale puts a red flag up for consumers. Consumers start to ask and think "Why? I thought it was premium." or "Something is fishy if it is on sale only after the first six months of being available." Michael Kors and Louis Vuitton do not have sales, and they are premium brands. Not having sales early in the product's life is critical. Another detail is the use of the .99 format (i.e. \$94.99). The pricing should be a solid number (such as \$95). There is psychological research on the perception of value just on the pricing. High end brands do not use .99 or .95 at the end of their prices because they want to show excellence. Using the cents at the end of the price gives the impression that consumers are getting a deal, and these brands are not here to give deals. They are here to promote quality and are going to charge accordingly. Furthermore, from our primary and secondary research, consumers are not very willing to pay the \$95 for the Neco Adipem, and were more willing to pay \$70-\$80 for the product. We suggest putting the price of Neco Adipem to \$80 from reviewing these findings to be on the higher end of that range.

When giving discounts to businesses who carry our product, we do suggest on implementing trade discounts and allowances. These agreements with retailers gives them price incentives to carry our product and to place it in prime locations where it is most likely to catch the buyer's attention. We want our product to be placed at eye level because that is where people naturally look first. Plenty of research shows that children who can see and reach a cereal box they like at a grocery store are more likely to

influence their parent to buy it (21). The same plays out with other products in other fields, such as here.

As this product moves into the growth stage of its life, it may be necessary for us to reduce prices or offer promotions to grow our market share. If we start the product out at too low of a price, we will have no room to reduce prices when we need to. For our product, following the *status quo* and matching prices with other competitors is not a planned action. We are positioning this product as a high-quality supplement that is purer than its competitors. We must price it in a way that communicates our major point of difference. Pricing it higher than our competitors keeps our message consistent with our positioning strategy.

## 8.5. *Promotion Strategy*

### 8.5.1. *Email Lists*

On the TOREM website, a pop-up will appear offering the option to join the TOREM email list. This will subscribe consumers to a series of emails with possible segments such as healthy recipes and cooking videos, workout regimens, product information, promotions, personal motivation, and community activity with TOREM. We want to focus not on the latest trendy workouts, but on information that works and gives real results. These posts will link to even more useful information on the TOREM blog, where each email letter will be archived for site visitors to see. As for the recipe posts, they would include recipes (meals and smoothies) for the TOREM community to use either by themselves or in conjunction with TOREM products. Most of these emails will be informational and free to help build a good relationship with the customer. We will also put in sales emails as well, but we do not want to be constantly selling to them with each email. That will eventually disengage the reader, and we will come off as ingenuine over time. People do not like to be sold to at all times, but we do want to sell to them in at least 1/3 of emails because as a business, we need to. It is just important to know when to sell, which is after we have lowered their guard and gained their trust.

Some emails will give subscribers an opportunity to respond to an open ended question with their thoughts about a topic. This engages them and creates an almost personal relationship with TOREM and its customers. Email is special because it is a way to be very personal with readers. They do not have to worry about being criticized by onlookers, and can have the privacy they deserve. People who comment on social media might give you their problem in a sentence or so in response to a similar question, but through a personal email people can tell you critical details about their struggles. With this dialogue, we can learn more about our users, learn to serve them better, better position ourselves to them, and also give us the opportunity to gain their trust. Email selling has long been a powerful tool. TOREM's email list will also serve as a database for future use as well, giving insight to demographics and psychographics of customers and non-customers. Additionally, when a consumer wants to purchase a free trial of the supplement, we will require them to subscribe and take our demographic survey so we can learn more about them.

### 8.5.2. *Website*

A. *Testimonials/Reviews*- The website needs more testimonials to gain the trust of the public eye. Word of mouth is one of the most trusted sources of information consumers have, and by providing



them with these reviews, we will ensure their need is met. The existing testimonials already posted on the site should be reformatted to appear smoother and easier to read. It currently contains some errors.

B. *Frequently Asked Questions Page*- This page will answer questions that come to consumer's minds when deciding whether or not to purchase our product. Having frequently asked questions help calm the risk-averse mentality of people and save the company time in dealing with inquiries about the same topic. It serves as a tool to lower consumers concerns with the legitimacy and credibility of the products TOREM sells.

C. *Consistency*- The website needs to look more consistent with what the brand message is: *Becoming a warrior*. By showing images of someone who resembles the customer using TOREM products to transform themselves, it can help the customer connect with the message by saying "They are just like me." This provides a visual representation of what the products can do for the customer. We want to create a community feel to the brand to incorporate the differences in our two target segments, and this is a way to do that. This will help play out in future when events are held that bring all TOREM users together to meet. It is also imperative that the same message is carried out through all of TOREM's outlets on social media, its website, and in person at trade shows. We do want different ads for each segment, but for the brand's overall message, it will be consistent and inclusive of both groups of people. Having better copywriting for the products can be a great help.

Having a more fluid, user-friendly experience is important on the desktop and mobile platforms of the website. Our target segments are on their mobile devices more often than their desktop, so having a clean website on both is vital, and can take away from the brand's credibility if the website experience is short of excellent. The website currently looks very good. There are just a few points that would make it look spectacular. One being the testimonial page needing to be reformatted, another being how the products are displayed. For the blender bottles, it could be improved by taking all of the different colors of that product and putting all of them into one item and allowing the customer to pick the color once they get to the "Add to Cart" page. This will reduce the visual clutter on the page and create a smoother look of the whole site. This can also be done with the T-shirt line eventually as the line expands. But grouping similar products together, it makes for a more streamlined experience on the desktop and mobile websites.

On debunking misconceptions about TOREM, it is important to emphasize that it is not harmful to the consumer, and although people have been harmed by other products in the past, consumer can rest assured that they will be free of any health problems with TOREM.

D. *Email Opt-In*-There can be either a pop-up on the screen that invites the site visitor to sign up for the email list to learn more about the brand and its products or it can be an invitation posted on a sidebar throughout the site. Getting an email following will be a major part in engaging our customers. MailChimp.com is a free email server that is a good starting point for us.

### 8.5.3. *Free Samples*

Giving out free samples is vital and necessary to introduce people to the product, inform them, and make them feel more comfortable with it. Samples will give people a small taste of the benefits that this product provides, and after trying out the product for themselves and reading reviews online they will be more inclined to purchase the product. It is also important to inform those who use free samples that the product is not a "magic pill" that allows them to avoid eating correctly and exercising regularly.



It must be emphasized that it is a weight loss accelerator, and not a single solution product. Otherwise, trial users may disregard the lack of results to the product, not to themselves. The main goal of the free trials is to lower the barrier to make a purchase, and people are generally resistant to committing to something they do not understand. It would be beneficial if the samples were shipped to them for free and also came with a pamphlet that explains the ins and outs of the TOREM brand and the specifics of Neco Adipem to familiarize themselves with it.

#### *8.5.4. Blogs*

By incorporating the email subscriptions posts to the blog site, we can fulfil two mediums to reach our audience. This also drives traffic to the website by encouraging people to visit the site. Alongside TOREM's own blog, using other bloggers as a referral is helpful. Fitness and health bloggers can be particularly useful to TOREM because of the reach they provide. Their followers are already interested in the fitness and health and are highly interactive on social media. Bloggers have a fair size of followers, but the engagement with each of those individuals is deep. They listen to what the blogger says. Using brand endorsers can help the company pierce the market by connecting an endorser and their audience to our products. In this introductory stage of TOREM, it is important for TOREM to create brand awareness and educate the consumers. Using a blogger allows for TOREM to grow its audience by connecting with those already interested in the market, and it allows consumers to really understand what the product is and the benefits communicated by someone they already trust. Some beneficial relationships we can build to promote TOREM with include local athletes, blog writers, and health and fitness celebrities. In fact, 81% of the online population, trusts information and advice they receive from bloggers; and furthermore 61% of that population makes a purchase based on a recommendation from a blogger. A way for us to accurately measure that bloggers are bringing in actual sales is to allow for each blogger to have a specific coupon code for their followers to use to receive up to 10% off their supplement purchase. This way TOREM can track the sales brought in by each blogger. Our goal is to eventually have the blogger mention the brand without any incentives, because they love the product so much, but giving the blogger incentives initially is commonplace in the industry, so budgeting accordingly or investing products in the blogger will be necessary.

#### *8.5.5. Trade Events*

Trade events are a massive opportunity for TOREM to spread brand awareness. Because those in attendance are already involved on some level in the fitness world, they can be first adopters of TOREM products. Personal selling will be highly important at these events, and everyone on the team representing the company should represent the brand's image and be able to communicate with the target market. They should also be highly knowledgeable about the products. TOREM will be giving out free samples at the event, encouraging trial among those attending. It also important to store the product at the event in a way that looks exclusive and desirable. A company who does this well is Muscle Milk. They have their products sitting in a sleek, contemporary, well-lit refrigerator. This speaks loudly about the brand and their image. Simple things can alter a person's perception. We recommend having a display that communicates high-quality and is well-lit. It builds the appeal of the product. Possibly having a well-lit, wooden cabinet with the product inside would communicate the value of the product. TOREM should present the product, just as in any of its advertisements, as sophisticated and trustworthy. The FitExpo in Los Angeles in January 2017 is one of the trade event

that we would like to attend and test this method, and the company can gauge the effectiveness of presenting its product this way at other fitness expos as well.

#### *8.5.6. Social Media*

Through social media we can build a strong relationship with our customers through posts, blog links to the website, and by keeping TOREM on the minds of consumers. Twitter can us address any issues that our customers have, and can be an easy way to say thank you to those that appreciate our business. We can link stories and testimonials on the TOREM Facebook, Twitter, and Instagram accounts, which in turn will direct traffic to the website and encourage email subscriptions, product trials, and ultimately a purchase. Of all the social media outlets, Facebook and Instagram are the more powerful for us because we can see through pictures the change that TOREM makes. Fitness people love to see pictures of progress in their friends' journeys, and these two mediums are excellent ways to do that. Twitter is good for responding to questions, but by the very nature of the other two, it is easier to communicate our message to our audience through those outlets.

#### *8.5.8. Partner with Local Health Club and Gyms*

We suggest finding a health club or local gym that reflects the TOREM brand well and enter into a joint marketing agreement or a strategic alliance where we can supply products, sponsor events at the business, or hold events. This will allow TOREM to piggyback off of the gym's name, gain inroads into their customer base, as well as share the expense of advertising in and outside of the gym. It is important to be affiliated with stores that are our target group attends and that reflects TOREM's brand image of community and high-quality.

#### *8.5.9. CRM Database*

Investing in a software allowing TOREM to send refill-reminder emails to stock up on product is a great way to encourage repeat purchases. The email should also include a link to the exact supply they previously purchased. By investing in a proper CRM database, it will help TOREM understand who is actually making purchases, how often, and how much of what product. We can measure if our targeting is spot on or needs to be repositioned as more and more data is collected. This can create a clear view of TOREM's progress and show any specific opportunities in a defined market that we did not initially find.

#### *8.6.1 Subscriptions*

To have people commit to TOREM, a monthly subscription of products can lower monthly costs for customers and ensure revenue for the company. By offering a package deal of Neco Adipem, of protein powders, and/or apparel, we can have a recurring revenue from subscribers and meet their fitness needs without having to reorder. We can further the subscription by creating a family of products that people can use as they progress through their fitness journey. Most people will not be using Neco Adipem for a long time after they have lost the weight they initially wanted to, so we can sell them the next product in their fitness life. That could be a performance enhancer (possible future product), or the plant-based protein powder. Through subscriptions we can generate revenue with nothing more than restructuring some of the product packaging (i.e. changing the amount of product servings per unit).

### 8.6.2 *Search Engine Optimization*

Search engine optimization can help get interested people to TOREM's website. Search engine optimization is used to increase traffic by obtaining a high-ranking placement in the search results page of a search engine (Google). People rarely click through pages of search results, so having TOREM near or at the top of a results page is vital as an online store. This is used by incorporating keywords and phrases in the website to make a Google search become more relevant in finding TOREM over another brand (think typing in "fat-loss supplements" and seeing TOREM at the top). By investing in some SEO products or services, it will be extremely useful in driving more traffic to the website.

## 9. Implementation, Evaluation, and Control

### 9.1. *Implementation*

As part of our proposed implementation schedule, we will have website updates running year round from June 2016 to June 2017. Having a clear product description is the first thing that we have to do in order to establish the trust we need. We plan on having a clear product descriptions of all products on the website running the first month of the campaign. The review tab updates will be implemented in the first two months. Management of customer reviews will be handled for the entire year as we feel that that is necessary to build credibility. We seek to establish listings on Google by August 2016. We also plan on having sample distribution take place year round, with a focus on distribution through email subscription year round; sample distribution being given to bloggers beginning in September; and distribution at Expos taking place through January 2017. Facebook, Instagram, and Twitter will begin to post July 1st through August 1st, with a series of posts describing who TOREM is. The email subscriptions newsletter will be implemented at the same time as the social media posts to have complete fluidity throughout all consumer viewpoints. Trade showcases will take place through January.

\*Please refer to [Figure L](#) in the Appendix to see a timeline for the promotional events.

\*Please refer to [Figure K](#) in the Appendix for the Budget.

### 9.2. *Evaluation*

1. Daily/ weekly/ monthly/ quarterly goals should be established for sales, including both online and in store.
2. Repeat purchases should account for 35% of net sales within first year.
3. Each blogger should compose 3.3% of total number of sales to be of sponsorship.
4. 1,000 Facebook likes should be attained in the first quarter.
5. Traffic on website should grow by 15% monthly during the first two quarters.
6. CPC (*Cost-per-click*) should be at 22% within the first year.
7. 1,500 members on email list within the first two quarters.

\*Please see [Figure K](#) for calculations.

TOREM should send out a survey after six months to all past and active customers (those who have purchased or subscribed to emails) on their thoughts and attitudes towards the company. Survey will be included in a 'Thank You' email from TOREM to the customer, following their purchase or after a few months of being on the email list. In order to measure the direct response rate of our consumers, when an email goes out, TOREM will measure how many people click to the website within the first 72 hours. This will give an idea of the amount of people who are actively reading the email newsletter. TOREM also plans to measure the sales conversion rate, of those who click on the emails, to those who actually make a purchase.

### 9.3. Control

To resolve customer and product issues, TOREM purchases will be backed by a *money-back guarantee* to build rapport with our customers. Our net-cost versus our total costs allows us to do this. If a customer must jump through hoops to get their money back, that customer will never shop with us again or refer us to their friends or family. It is important to keep this process easy for the customer. Customer satisfaction is never guaranteed so we ask for customers who are not happy with their purchase to return their existing package of supplements back to us (or keep them) for a full refund within 60 days. By writing an email explaining why the product does not satisfy them, we will grant the customer a free return label. Receiving a satisfaction email from an unsatisfied customer will help us learn our weaknesses and convert them into strengths for new products and better customer experiences. These can further be used as tools on social media to show TOREM's commitment to its customers through posts for all to see..

In the case of an emergency or mishap due to unexpected reactions to ingredients in our product formula, we choose to include a booklet with the list of active ingredients and known side effects of them. Choosing the right product may be difficult, so TOREM wants their products to be as transparent as possible. Some dietary supplement complications include heart problems, chest pain, irregular heartbeat, and a racing pulse. The Dietary Supplement Health Education Act expanded the definition of what could be considered a dietary supplement. This is the result of products on the market today containing sketchy or even illegal prescription drugs--that may or may not be listed on the bottle. TOREM's standards do surpass those of its competitors, but we must recommend advising a primary care physician before taking any weight-loss supplements if a user is unsure.

In the worst case scenario of class-action lawsuits, in recent years there has been an increasing number of "piggy back" class action lawsuits filed, usually asserting state consumer protection and/or false advertising law violations. Piggybacking refers to a class action filed by a private litigant against an advertiser or manufacturer after a federal agency, such as the FTC, has already taken regulatory action against the company on behalf of the public. Although TOREM is one of the only weight-loss supplements with a high degree of transparency, we must always be prepared for the unexpected. If a class-action lawsuit were to come our way as an FTC complaint, it is not enough for a false advertising plaintiff to prevail. It is incumbent upon defendants in consumer class actions and false advertising litigation to inform the courts of the prior substantiation doctrine and the plaintiff's burden to prove falsity.

## 10. Conclusions & Recommendations

TOREM is in the introductory part of its product life cycle and has a tremendous amount of room for growth. We believe that with our marketing plan, we will enable TOREM to greatly increase traffic to the website, build stronger brand awareness, and boost overall sales revenue. The partnership with a local health club and an email subscription list will grow the customer database. The promotion through trade events, social media, sponsorships, and search engine optimization will help increase awareness throughout the marketplace. Sponsored bloggers will promote awareness with the target market and encourage a following for TOREM's social media sites and its email subscription.

Our positioning of TOREM as an all-natural, transparent product producer will communicate the value of its high-end, high-quality products to its consumers. In a numbered form, here are the recommendations once more:

#### Recommendations

##### 1. Website:

1. Making the website experience more fluid and user-friendly on desktop and mobile platforms.
2. Establish a blog.
3. Create a pop-up on the website to encourage people to join an email subscription
4. Create engaging email content to be placed on the email list, which can be followed up by a blog post on the site. Blog posts can be linked to from social media platforms posts.
5. Create an FAQ page about specific products, what TOREM is, and TOREM's policy (commitment to customer, returns, etc.). People are scared away by a lack of side effects on the labeling. Embrace it and actually tell customers that it has no known side effects.
6. Offer incentives such as money-back guarantees; offer more free trials in all outlets.
7. Cut out visual clutter when viewing products online. Group similar products together.
8. Add more testimonials. They are essential to lowering the customer's guard and easing their fears. Make the current testimonial page more fluid.
9. Create a page that shows side-by-side comparisons of TOREM's Neco Adipem versus competitors' weight-loss products. Please use the chart we have created for you in the Appendix.

##### 2. Brand:

1. Refine brand image on all online facets (Facebook, Instagram, Twitter) on desktop and mobile platforms with stronger copywriting that resonates with the audience.
2. Focus on the transparency of the company, reliability of TOREM's research, and the desire to truly help people. People have shown they are interested in these benefits. These justify the price of the product.
3. Create a TOREM community and events to unite them. TOREM is about helping people, and uniting them is a way to do that. This also creates a bond with the brand and encourages more purchases in the long run.
4. For new products, it is important to not have sales early in the product's life. In the short run it may lead to sales, but in the long run it may raise a red flag for consumers, and they may question the legitimacy of the product, and possibly the brand.

## 11. Appendix

### 11.1. Figure A: Competitive Analysis

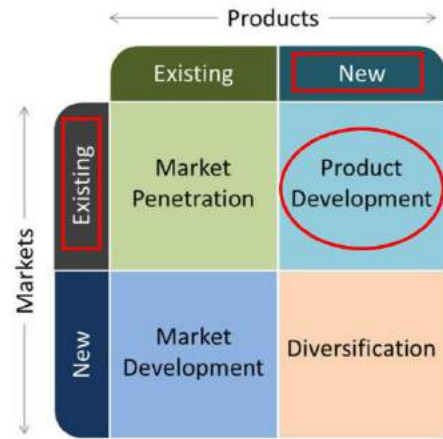
	Garcinia Cambogia	Hydroxy-cut	Caffiene	Orlistat	Raspberry Ketone	Green Coffee Beans	Glucos-mannan	CLA	Meratrim	Neco-Adipem
<b>REQUIREMENTS:</b>										
strict dieting				x						
regular exercise				x						
<b>ASSOCIATIONS:</b>										
stimulant		x	x			x				
negative side effects		x	x	x				x		
associated with scam	x	x			x	x		x		
proven effective (studies)		x		x			x		x	
celebrity endorsement	x				x	x			x	
fruit/plant based extract	x				x	x	x		x	x
natural ingredients	x				x	x	x		x	x
blended in the U.S.										x
<b>FUNCTION:</b>										
boosts metabolism			x			x				x
boosts energy levels		x	x			x				x
prevents fat absorbtion/production	x			x		x	x	x	x	x
supresses appetite	x	x					x			x
diuretic/minimizes bloating		x	x			x				x
increases lean body mass					x			x		x
stabilizes mood										x
<b>POS./NEG. RATIO:</b>	5 : 1	4 : 3	3 : 2	2 : 3	4 : 1	7 : 2	5 : 0	2 : 2	5 : 0	10 : 0
<b>PRICE (120 capsules):</b>	\$40	\$30	\$12	\$60	\$36	\$54	\$16	\$22	\$66	\$170

11.2. Figure B

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>- All natural product with high degree of transparency for consumers</li> <li>- Clean, reputable image compared to competitors</li> <li>- No known side effects</li> <li>- Made locally</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>- Online distribution only</li> <li>- Not on store shelves</li> <li>- High end of price spectrum</li> <li>- Low awareness in the market</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>- Obesity worldwide</li> <li>- Everyone wants to slim down</li> <li>- All natural/healthy dieting and exercising mindset</li> <li>- Ever growing market</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>- Saturated market</li> <li>- Other forms to "slim down"</li> <li>- Similar ingredients in competitor products</li> <li>- Strong competitor advertising</li> </ul>

← Matching →
← Converting →

11.3. Figure C: Ansoff's Matrix

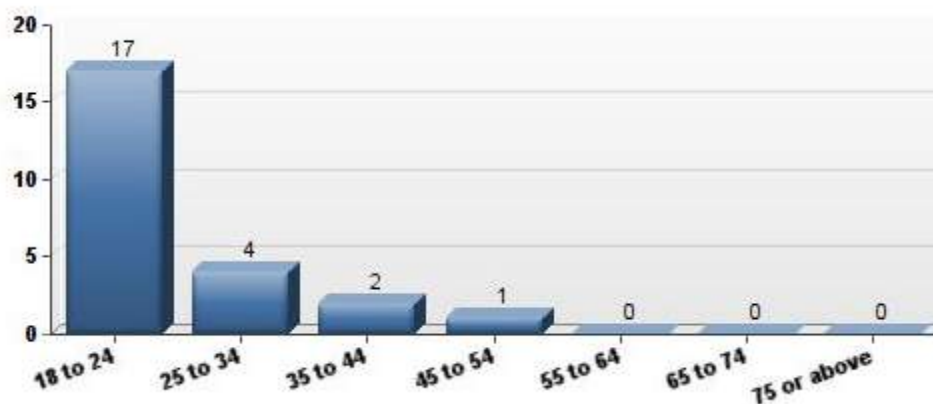


11.4. Figure D: Consumer/Benefit Segmentation Chart

Consumer / Benefit	Inactive Millennials / FAST RESULTS	Busy Parent / EFFORTLESS WEIGHT LOSS	Aging Adult / OVERALL HEALTH	Dedicated Gym Goer / LONG-TERM PHYSICAL PERFECTION
Demographics	<ul style="list-style-type: none"> <li>-Gender: male/female</li> <li>-Education: college degree; some are grad students while others are focused on budding careers</li> <li>-Income: \$50k+</li> <li>-Marital Status: large majority are single</li> <li>-Age Range: 23-36</li> <li>-BMI calculation: "overweight" or "obese"</li> </ul>	<ul style="list-style-type: none"> <li>-Gender: male/female</li> <li>-Education: college degree</li> <li>-Income: \$75k+</li> <li>-Marital Status: married with children, or single parent with children</li> <li>-Age Range: 35-46</li> <li>-BMI calculation: "overweight" or "obese"</li> </ul>	<ul style="list-style-type: none"> <li>-Gender: male/female</li> <li>-Education: majority have college degree</li> <li>-Income: \$75k+</li> <li>-Marital Status: both married and divorced; most have independent</li> <li>-Age Range: 45-60</li> <li>-BMI calculation: "overweight" or "obese"</li> </ul>	<ul style="list-style-type: none"> <li>-Gender: male/female</li> <li>-Education: majority have college degree</li> <li>-Income: \$50k+</li> <li>-Marital Status: majority are single</li> <li>-Age Range: 23-36</li> <li>-BMI calculation: "underweight" or "normal weight"</li> </ul>
Psychographics	<ul style="list-style-type: none"> <li>-Driven by weight management</li> <li>-Want to feel better about themselves</li> <li>-Socially active; seek to engage in social activities with peers</li> <li>-"Fitting in" is of high importance</li> <li>-Interested in new experiences</li> <li>-Health conscious</li> <li>-Being physically attractive is important</li> </ul>	<ul style="list-style-type: none"> <li>-Often busy with kids</li> <li>-Focused on career</li> <li>-Enjoy attending social outings with friends when they can find time</li> <li>-Fantasize about having more time for self</li> <li>-Wish to have better</li> </ul>	<ul style="list-style-type: none"> <li>-Aging has caused them to place higher importance on health</li> <li>-Value physical attractiveness and aging has caused them to focus on physical fitness</li> <li>-Willing to try supplemental products</li> </ul>	<ul style="list-style-type: none"> <li>-Competitive; seek an advantage or a winning edge</li> <li>-Gym &amp; exercise is a priority</li> <li>-Looking good is extremely important</li> <li>-Typically feel neutral or dissatisfied with their weight management regimen</li> <li>-Maintaining a healthy weight is a main driver in their life</li> <li>-Willing to take supplements and go to various lengths to shed those couple extra</li> </ul>

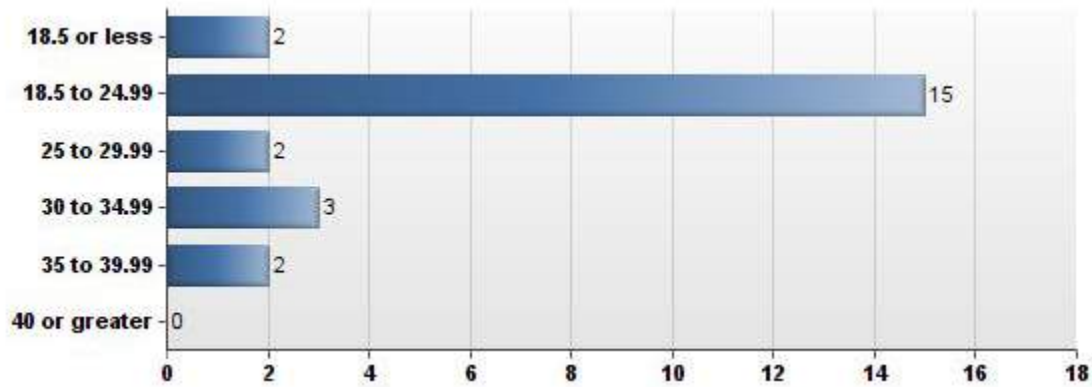
	<ul style="list-style-type: none"> <li>-Are uneducated about weight loss supplements but are willing to take supplements</li> <li>-Feel they have been fighting their weight their whole life</li> <li>-Crave emotional validation</li> <li>-Live in state of cognitive dissonance</li> </ul>	physical fitness	<ul style="list-style-type: none"> <li>to maintain weight/health with slight hesitation</li> <li>-Not tech savvy</li> <li>-Are uneducated about various health supplements</li> </ul>	<ul style="list-style-type: none"> <li>pounds</li> <li>-Many have or are extremely susceptible to body dysmorphic disorder</li> <li>- Highly influenced by aspiration groups</li> <li>-Majority of social interaction is related to exercise and/or gym attendance</li> <li>-Put functional benefits of a supplement above the taste and cost</li> </ul>
Behavior	<ul style="list-style-type: none"> <li>-Usage is event triggered</li> <li>-Typically engage in cyclical dieting</li> <li>-Eat poorly; compensate by dieting</li> <li>-Very connected via social media</li> <li>-Live a very busy lifestyle with school or work that limits them from exercising as often as they would like to</li> <li>-Have extremely difficulty in changing their routine or implementing a new regimen</li> <li>-Food is a large part of social activities</li> <li>-Wear workout clothes for comfort, not necessarily for exercise</li> </ul>	<ul style="list-style-type: none"> <li>-Live a busy lifestyle that revolves around their kids</li> <li>-It is extremely difficult to find time to go to the gym or exercise</li> <li>-Struggle to eat healthy because of busy schedule</li> <li>-Eat out and on-the-go frequently</li> </ul>	<ul style="list-style-type: none"> <li>-Has free time</li> <li>-This group is willing to try new products to lose weight and look good. They have more disposable income to spend on high priced items</li> </ul>	<ul style="list-style-type: none"> <li>-Sacrifice social time and family time in order to go to the gym</li> <li>-Exercise frequently</li> <li>-Attend more intimate, “niche” gyms</li> <li>-Follow a regimented diet</li> <li>-Are tech savvy &amp; engage in social media</li> <li>-Take supplements or workout aids seeking more power and energy to support strenuous exercise</li> <li>-Live by the “work hard to play hard” motto</li> <li>-Tend to be early adopters of new products</li> <li>-When they find a product they like, they are brand loyal</li> </ul>

12.5. Figure E: Age Indication from Primary Research

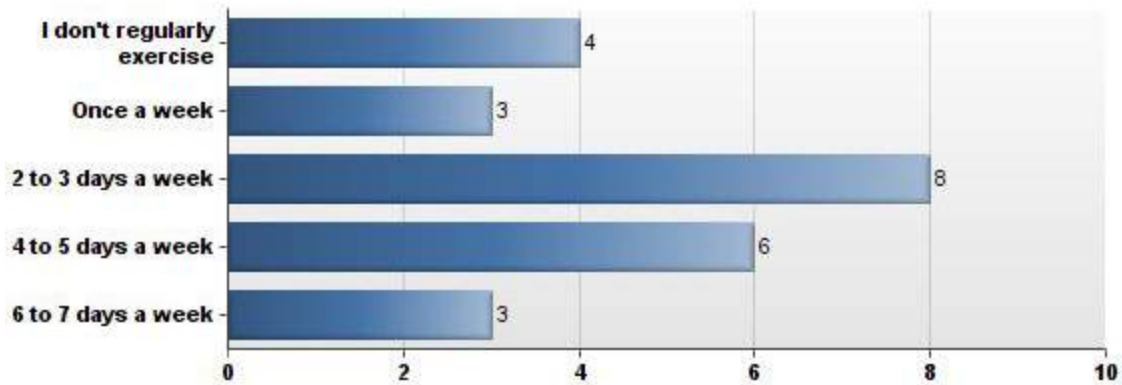




11.6. Figure F: BMI Indication from Primary Research



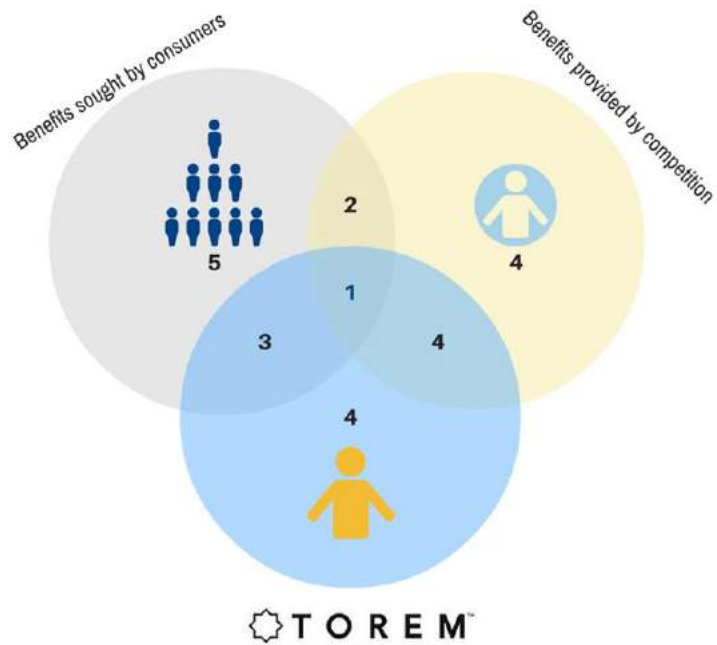
11.7. Figure G: Weekly Exercise Indication from Primary Research



11.8. Figure H: Satisfaction with Weight Management Regimen Indication from Primary Research

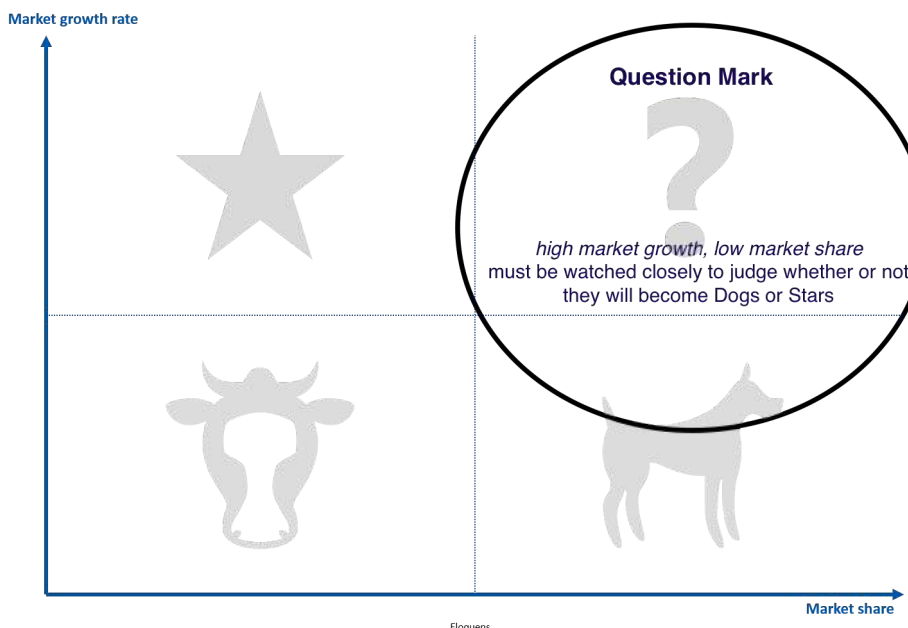
#	Answer	Response	%
1	Very satisfied	5	21%
2	Moderately satisfied	6	25%
3	Neutral	6	25%
4	Somewhat unsatisfied	3	13%
5	moderately unsatisfied	1	4%
6	Somewhat satisfied	1	4%
7	Very unsatisfied	2	8%
	Total	24	100%

12.9. Figure I: POP/POD Framework



1. Acheives weight loss
2. Well known products
  - a. Celebrity endorsement
  - b. FDA approval
3. Pure/Transparent Ingredients
  - a. Product of USA
  - b. Stabilizes mood
  - c. Free trials/samples
  - d. Scientifically supported
4. Additional product lines
5. Comprehensive weight loss programs
  - a. Personal trainer
  - b. Meal planning
  - c. Social media presence

12.11. Figure J

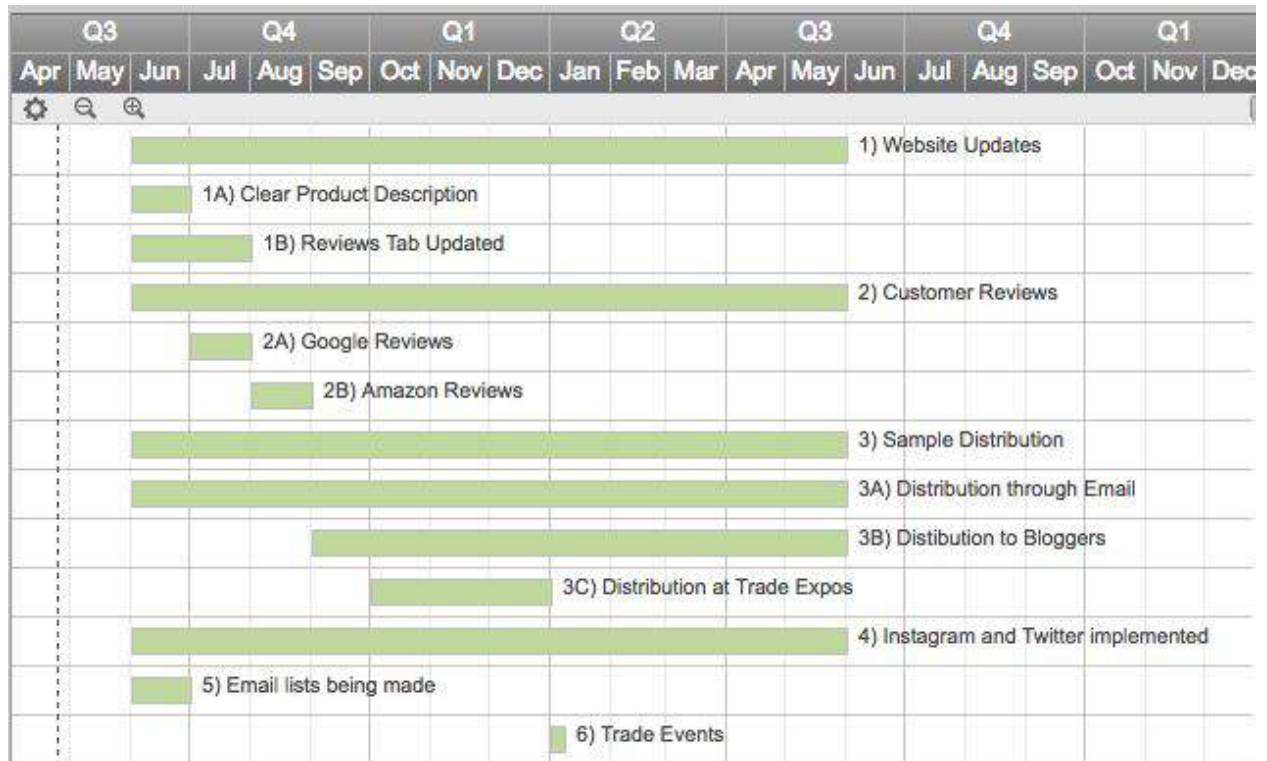


12.11. Figure K

<i>Trade Shows</i>	<i>Rental: \$4,555 Showcase: \$295 Promotional: \$365 = \$ 5,215</i>
<i>Sponsorships (athlete/ bloggers)</i>	<i>\$700- \$2,000/ per month</i>
<i>Email Lists</i>	<i>\$12/month</i>
<i>Search Engine Optimization/Marketing</i>	<i>\$2,985/ per year or \$248.75/per month</i>
<i>Free Samples</i>	<i>\$64.99/ box of samples @450 boxes = \$29,245.50-CPB =\$1,169.50</i>
<i>Recycling Cost</i>	<i>\$0.83- \$0.85/ per box</i>
<i>CRM database</i>	<i>\$125/per month</i>
<i>Facebook Advertising</i>	<i>CPC (cost per click) =\$0.24</i>
<i>Promotional</i>	<i>\$650</i>
<b>TOTAL</b>	<b>\$13,068. 57</b>

12.11. Figure L

1			●	1) Website Updates	06/01/16	06/01/17
2			●	1A) Clear Product Description	06/01/16	07/01/16
3			●	1B) Reviews Tab Updated	06/01/16	08/01/16
4			●	2) Customer Reviews	06/01/16	06/01/17
5			●	2A) Google Reviews	07/01/16	08/01/16
6			●	2B) Amazon Reviews	08/01/16	09/01/16
7			●	3) Sample Distribution	06/01/16	06/01/17
8			●	3A) Distribution through Email	06/01/16	06/01/17
9			●	3B) Distribution to Bloggers	09/01/16	06/01/17
10			●	3C) Distribution at Trade Expos	10/01/16	01/01/17
11			●	4) Instagram and Twitter implement	06/01/16	06/01/17
12			●	5) Email lists being made	06/01/16	07/01/16
13			●	6) Trade Events	01/01/17	01/08/17



**Below is the survey we used to question 113 people via Facebook which helped support or reject our secondary findings.**

### Survey

What is your gender?

- Male
- Female
- Transitioning

What is your age range?

- 18 to 24
- 25 to 34
- 35 to 44
- 45 to 54
- 55 to 64
- 65 to 74
- 75 or above

What is your estimated annual household income?

- Less than \$20,000
- \$20,000 to \$34,000
- \$35,000 to \$49,000
- \$50,000 to \$74,000
- \$75,000 to \$99,000
- \$100,000 to \$149,000
- \$150,000 to \$199,999
- \$200,000 or more

According to the [BMI Index Calculator](#), what is your current BMI classification? (Please remember this is an anonymous survey.)

- 18.5 or less
- 18.5 to 24.99
- 25 to 29.99
- 30 to 34.99
- 35 to 39.99
- 40 or greater

In a typical week, how many days do you exercise?

- I don't regularly exercise
- Once a week
- 2 to 3 days a week
- 4 to 5 days a week
- 6 to 7 days a week

Are you currently taking (or have you previously taken) any weight loss supplements?

- Yes, I am currently taking health supplements.
- Yes, I have previously taken health supplements.
- No, but I have considered taking health supplements.
- No. I never have and never will take health supplements.

What steps are you taking to help achieve your weight loss goals? Please select all that apply.

- |  |   |
|--|---|
| Aerobic exercise (e.g. biking, elliptical, classes, etc.)          | Prescription medication                                 |
| Anaerobic exercise (e.g. lifting weights, strength training, etc.) | Group support (Weight Watchers, 12-step meetings, etc.) |
| Weight loss surgery  | Nutritional Counseling                                  |
| Physician-monitored program  | Dieting   |
| Nutritional Supplements  |   |

How satisfied are you with your current weight loss regimen?

- Very satisfied
- Moderately satisfied
- Somewhat satisfied
- Neutral
- Somewhat unsatisfied
- moderately unsatisfied
- Very unsatisfied

Where do you obtain or purchase weight loss supplements? Please select all that apply.

- Sponsor (ie. athletic or sports sponsorship)
- Supermarket (wholesale or standard grocer)
- Health food or whole food store (Mother's Market, Whole Foods, etc.)
- Pharmacy
- Online
- Health and nutrition store (GNC, Vitamin Shoppe, etc.)
- Local gym
- Other
- I do not purchase weight loss supplements

If you do not use weight loss supplements, what is your reasoning? Please select all that apply.

- I do not need them
- They are an unhealthy way to achieve weight loss
- I think they are complicated and do not know enough about them
- I am concerned about drug tests
- They are too expensive
- They are unsafe/unnatural
- Taking supplements for weight loss is like cheating
- They do not work and I am skeptical of their effectiveness

How do you decide if a weight loss supplement is safe to consume? Please select all that apply.

- Reading the label
- Asking my nutritionist/doctor
- Checking the manufacturer's website
- Conducting my own research via the internet, book, and medical journals
- FDA approval
- Other
- N/A (I do not use supplements)
- No supplement is safe for use

How likely are you to spend the following amounts on a 60 day supply of weight loss supplements?

\$60 to \$75

Very likely, Likely, Undecided, Unlikely, Very unlikely

\$75 to \$90                      Very likely, Likely, Undecided, Unlikely, Very unlikely

\$90 to \$105                    Very likely, Likely, Undecided, Unlikely, Very unlikely

Where do you obtain information about new weight loss supplements? Please select the specific source.

- Magazine
- Physician
- Friends
- Online Articles
- Local Gym

How likely are you to try a free daily weight loss supplement?

- Very likely
- Likely
- Neutral
- Unlikely
- Very unlikely

Please indicate how much you agree with the following statement, "I am confident that I understand which vitamins, minerals, and botanical supplements are right for me."

- Strongly agree
- Agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Disagree
- Strongly disagree

Please indicate how much you agree with the following statement, "The information provided on supplement labels helps me understand if the supplement is right for me."

- Strongly agree
- Agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Disagree
- Strongly disagree

Please indicate how much you agree with the following statement, "Weight loss supplements are important in my weight loss journey."

- Strongly agree
- Agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Disagree
- Strongly disagree

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