MKTG522 Invisible Leash Marketing Plan -- Final Draft

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1.0 Executive Summary

The following Marketing Plan contains a detailed blueprint necessary to bring the Invisible Leash to market. The Invisible Leash is a pet friendly containment and training tool that utilizes unique vibration technology in lieu of an electronic shock in a collar worn by the pet. The Invisible Lease Marketing Plan includes a current analysis of the market and competition, a marketing strategy and implementation plan.

A current analysis of the market shows that 62% of Americans own a pet and this percentage will continue to increase every year (IBISWorld, 2012). With pet owners spending more and more on their pets every year, there is definitely room for new innovative products. The Invisible Leashes SWOT Analysis reinforces that a strong product can overcome a competitive atmosphere. Invisible Leashes largest competitor, PetSmart, holds over 40% of the pet market (IBISWorld, 2012). Competitor with such a high market share will make reaching the potential customers a critical issue. One of keys to success is identifying with animal friendly organizations like PETA with Invisible Leashes vibration technology.

Invisible Leashes Market Strategy coincides with its mission to “aspire to make every training event, a bonding experience between our four legged clients and their pet-parents”. A 1% gain in market share per year equates to about 270000 units sold and 27 million in revenues in our first year. With the goal of becoming the pet friendly and ethical alternative to the electric shocking competition, the Invisible Leash will share its product awareness backed by their commitment to pet safety through magazine and online advertisements. These Integrated Marketing Communications will drive the sales of Invisible Leashes thought their e-commerce site.
Finally, an implementation plan is included to guide the Invisible Leash to market. The implementation plan contains a time table to convey the “who, what and when” of events need to take place. The implementation plan also assigns the responsibility to the Chief Marketing Officer as well as identifies possible risks and their contingencies.
2.0 Situation Analysis

2.1 Market Summary

Pet owners have few electronic tools to assist them in training their pets. Beyond the standard chain leash, owners are driven by innovative specialized products that treat their pet more like family members (IBISWorld, 2012). The pet supply market has introduced solutions such as electronic training collars and electronic fence containment systems. Electronic training collars allow the user to actively use stimulation to refocus the pet’s attention. Electronic fence containment systems are static or semi-static boundaries that passively stimulate the pet if they cross the boundary (Radio Systems Corporation, 2012).

Each of these products works well around the home. A problem arises when pet training becomes mobile. Pets discover new distractions that require constant corrective action from owners, making bonding with a pet less enjoyable. Electronic fence systems are immobile and fail to protect a pet from dangers outside its perimeter. The Invisible Leash is designed to provide a mobile boundary by automatically delivering a corrective audio or vibration stimulation if the pet strays from a perimeter around the owner while still allowing the owner to actively correct poor behavior.

Pet supplies make up 27.3% of the products and services provided by pet stores in the United States (IBISWorld, 2012, p.3). It is estimated in 2012 that 62% of Americans own a pet and this is expected to increase over the next five years. The largest group of consumers aged 45 to 54 make up 28% of the pet store market. This demographic looks for a pet to fill the void as children grow up (IBISWorld, 2012, p.15). Since the estimated population of the United States is 313 million Americans, the number of pet consumers can be narrowed to about 194 million (Central Intelligence Agency, 2012). This creates a market potential for the Invisible Leash of 55
million pet owners. Based on a $100 unit cost, 55 million pet owners could project a revenue potential of $5.5 billion.

As a marketer, this market is attractive because the industry of pet products is growing. The trend forecasts more owners moving towards pet humanization (IBISWorld, 2012). This means owners want to treat their pet like a member of the family. Specialty high tech gadgets will allow them to integrate and train their pet during everyday life while keeping them safe.
2.2 SWOT Analysis

Strengths

- Proprietary technology that supports two-way communication
- First collar of its kind to deliver only an audio or vibration stimulation

Weaknesses

- Invisible Leash does not have Brand recognition
- Owner/Management no prior experience in the market
- Poor quality assurance policies
- Lack of financial line of credit?

Opportunities

- Future integration of smartphone capability
- Possible contract to supply Invisible Leashes to pet stores
- Possible endorsement by the organization of People for the Ethical Treatment of Animals (PETA)
- Possible niche market of Veterinarians

Threats

- Collar technology can be copied
- Competition has more research and design experience
- Local law enforcement could require the use of a physical leash while pet is in public areas
- Current recessionary economy
2.3 Competition

Potential competitors to the Invisible Leash are: Radio Systems Corporation and PetSmart Inc. These two competitors are important because they both have a major role in pet care. Radio Systems Corporation is the parent company to several pet safety and training brands. PetSmart carries a variety of products and is a main supplier of over 40% of the pet market.

Radio Systems Corporation (RSC) manufactures the PetSafe and Innotek brands, among many others. RSC’s 142 product lines are available in 52 countries (Radio Systems Corporation, 2012). RSC’s major strengths include strong brand recognition, an extensive product catalog and twenty years of experience with research and development. Their weakness would be a high cost overhead. If faced with competition in the market from Invisible Leash, RSC would begin a marketing campaign to raise awareness for their wide product catalog. Also, if Invisible Leash continues to be successful; RSC would create a competing version with increased features and benefits. Invisible Leash’s best response to RSC competitive efforts would be to take advantage of their high overhead costs and offer the Invisible Leash at a reduced cost.

PetSmart is the largest retailer of pet products in the United States, commanding 43% of the market share. This is double its closest retail competitor, Petco with 20% of the market share (IBISWorld, 2012). PetSmart’s strengths are its public image and strong brand name. PetSmart having such a dominating command of the market share leaves only Petco or small family run pet stores as alternatives for pet supplies. A second strength of PetSmart is their ability to be a one stop shop, providing customer with a single location to purchase all supplies. PetSmart’s weakness would be high cost overhead related to operating 1,200 store locations across the United States. If faced with competition in the market from Invisible Leash, PetSmart would compete by lowering prices on pet training items or increase customer traffic with the
introduction of loss leaders. If the success of the Invisible Leash continues, PetSmart would petition vendors to create a competing version of the Invisible Leash. Invisible Leash’s best response to PetSmart’s competitive efforts would be to increase the timetable for the roll out of future benefits to take advantage of Invisible Leash’s proprietary software.

The Invisible Leash gives owners opportunity to provide a mobile boundary for their pet by automatically delivering a corrective audio or vibration stimulation if the pet strays from a perimeter around the owner while still allowing the owner to actively correct poor behavior. Invisible Leash differs from the competition in two major ways. First, the Invisible Leash is both an invisible fence and training collar combining the best features of each; a mobile perimeter and automatic training collar. Second, the stimulation supplied by the pet’s collar is non-painful. An audio tone or vibration sensation is unlike an electric shock because it does not place the pet at risk of physical injury or psychological stress (PETA, 2012). The current market offers no substitute that offers the same benefit and features.
2.4 Product (Service) Offering

The Invisible Leash is a mobile pet-containment and training tool. The Invisible Leash allows pet owners to walk their pet without the hassle of using a physical leash. The Invisible Leash consists of two parts, the control unit and collar unit. Each black acrylic unit is the size of a key fob. The collar unit is attached to a black material adjustable collar that is worn around the neck by the pet. The control unit is operated by the owner. It contains three buttons and two indicator lights. One button and light indicates the on/off status of the Invisible Leash. The second and third buttons control either audio or vibration stimulation with one light indicating a button is being pressed.

The Invisible Leash is ready to use from the box, although can be customized by the owner. The collar unit can be connected to a home computer via a USB cable which is included. The owner, using Invisible Leash’s private software, will be able to customize the tone frequency, vibration pattern and the maximum distance their pet is allowed to travel before being corrected.

All pet owners desire good behavior in their pets. It is up to pet owners to train them. Training collars on the market today use an electric shock as a painful corrective stimulus. While this is an effective training method, there are pet parents who feel electric shocks are too extreme a punishment and could cause long term physiological and psychological distress (PETA, 2012). Some training collars on the market have a dual mode which allow for either a painful shock or an audio tone. Still, some pet parents fear the collar could malfunction shocking their pet in the process.

The Invisible Leash is the only training collar that does not feature a shock stimulus for correction. Pet parents can be assured that they will never cruelly inflict pain with the Invisible
Leash. The Invisible Leash has replaced the painful electric shock with a vibration sensation similar to that of a personal massager. The Invisible Leash also integrates the basic concept of an electric fence by placing the pet parent in the center of a mobile perimeter. This perimeter automatically offers a corrective tone or vibration if the pet should stray too far from their owner. Unlike other electric fences where pets are trained to remain around a fixed structure like a house, the Invisible Leash’s hands free mobile perimeter trains the pet to remain close to their parent. The initial offering of the Invisible Leash will feature a collar that is adjustable in size to accommodate any pet size and will be available in only black.
2.5 Keys to Success

The most important factors to making the Invisible Leash successful are identifying an acceptable price for the Invisible Leash in this market and gaining support from animal activists. An acceptable price for the market in this economic climate is essential to success. Pricing set too low on the Invisible Leash, risks failing to cover long term expenses, while the opposite might deter customers from buying the product. A second factor to success is gaining support from animal activists. This backing would propel sales and definitely differentiate the Invisible Leash from the competition. The support from organizations like PETA could become their recommended training tool, giving pet parents and commercial trainers that want to act by PETA standards an acceptable training collar to use.

2.6 Critical Issues

The Invisible Leash will best reach the customer via e-commerce. A website will assist the beginning efforts to increase awareness for the Invisible Leash. After Invisible Leashes are manufactured, an intermediary will be selected to warehouse and ship the product to customers. If the Invisible Leash continues to be successful, management will explore future placing in established pet supply stores.
3.0 Marketing Strategy

3.1 Mission

The Invisible Leash Company strives to develop state-of-the-art pet training technology. We value comprehensive safety for our furry family members and are dedicated to creating products that are pet-parent friendly. We aspire to make every training event, a bonding experience between our four legged clients and their pet-parents.
3.2 Marketing Objectives

- Achieve a 5% market penetration of our target market over five years
- 272,000 new customers per year
- 1.4 million Invisible Leashes manufactured and sold over the course of five years
- Meet Invisible Leashes first year goal of $27 million in revenue
3.3 Financial Objectives

Invisible Leash gross revenue goal for the first year is $27,186,400. This is based on $99.95 product price and a yearly customer goal of 272,000 pet owners. The revenue is projected to continue annually.

After fixed and variable cost are subtracted, the projected profitability for each Invisible Leash is estimated at $15. This calculates to $4,080,000 in the first year.
3.4 Target Market

The target market for the Invisible Leash are urban male pet owners aged 45 to 54.

Pet owners aged 45 to 54 make up the largest group of consumers of pet products, which is 28% of the pet store market (IBISWorld, 2012, p.15). Private polling discovered this market contains the largest number of urban male consumers who exercise their pet outdoors 10+ times a week. The time exercise spent with their pet is beneficial for the owner as well.

Since the estimated population of the United States is 313 million Americans, the number of pet consumers can be narrowed to about 194 million, half of which are male. (Central Intelligence Agency, 2012). This creates a market potential for the Invisible Leash of 27 million pet owners. Based on a $95.99 unit cost, 55 million pet owners could project a revenue potential of $2.7 billion.

There are a few possible risks in choosing this target market. As these urban males age, the Invisible Leash will continue to need marketing efforts directed towards a younger market to avoid losing market share. One technical risk associated with the target market is the overabundance of wireless products. Targeting a market in an urban environment could cause a less than desired effectiveness of the Invisible Leash. As wireless products become overabundance in the future, the Invisible Leash is at a risk of not reaching the maximum operating distance currently possible.
3.5 Positioning

The Invisible Leash’s position in the mind of the target market is that of a techy, pet friendly tool used for training and everyday exercise walks. The Invisible Leash needs to be known as the first non-painful training collar that treats their pet with respect and dignity like a part of the family. The Invisible Leash’s target market should feel that using an Invisible Leash is a pet friendly and ethical alternative to the electric shocking competition. The Invisible Leash brand should remind people that it causes no pain to the pet.

3.6 Strategies

The initial main strategy for Invisible Leash marketing plan or objective is to gain customer acceptance. This will require conducting product live demonstrations at retailers in order to place the Invisible Leash in the hands of the target market, letting them see for themselves how easy it is to configure and use. A supporting strategy for Invisible Leash marketing plan is to compare Invisible Leash’s vibrating stimulation technology to that of the competitor’s electric shock. A demonstration involving a simulation electric shock and the vibrating stimulation could be created to pet owners an idea of the pain inflicted to their pet.

Overall The Invisible Leash marketing plan is intended to accomplish the following:

- Create market acceptance and awareness
- Appeal to the markets need for tech gadgets that make life easier
- Communicate Invisible Leashes commitment to pet safety
- Prove the effectiveness of Invisible Leashes vibration technology
3.7 Marketing Mix

3.7.1 Pricing

Initially when the Invisible Leash is positioned in the market it will implement a survival pricing strategy. The survival would be the best strategy because The Invisible Leash will be entering a market where there is strong competition. Major retailers in the industry sell several replacement products which function similarly to the Invisible Leash. Standard and retractable leashes, wireless fences, and shock training collars offered from a variety of mom and pop pet stores large box retailers will distract our target market. Although these products do not offer the same combination of benefits to the end user a combination of them could be used to act as a replacement product. With the survival pricing strategy, price will be one attribute the Invisible Leash can use to stand out among the pack. Fixed and variable costs equivalent to the production of 272,000 units set the floor price for an Invisible Leash at an estimated $85 per unit. Given this floor price the Invisible Leash can be competitively priced at $100 to $125. This price is positioned below the average training collar price of about $158 (Petco Animal Supplies, 2012).

In the long run, As the Invisible Leash brand becomes more popular, the Invisible Leash will need to revise their pricing strategy to that of one which will maximize market share. As improvements to the Invisible Leashes are created, production costs will drop and Invisible Leash can retain its initial price while enjoying a healthier profit.
3.7.2 Channels of Distribution

The distribution of the Invisible Leash will occur through one of two separate channels of Distribution. First, a zero-level or direct channel will utilize the internet to inform and sell the Invisible Leash through a website directly to the target market. An online website is the premium medium in order to inform the target market about the benefits of the Invisible Leash. The website will include an interactive virtual demonstration. This will allow potential customers to investigate about the Invisible Leash features and learn proper fitting instructions for their pet.

The internet is a good choice for an initial distribution channel because it offers a wide variety of media’s like video, photos and informational downloads while still remaining to be the least expensive contact with the target market. The Invisible Leash website will also be a launching point for all other social media communications. Invisible Leash will have total control over the websites content ensure a consistent message and allowing potential customers to post questions and concerns regarding the Invisible Leash. By informing the market and allowing the customers to purchase the Invisible Leash from the website, the pull promotional approach strategy will be utilized.

This pull strategy will drive a second, single-level channel of distribution that will utilize a single merchant intermediary after Invisible Leashes initial distribution channel. As retail intermediaries order Invisible Leashes to distribute, the Invisible Leash Company plans to hire a third party functional intermediary to communicate Invisible Leash product knowledge to the employees of the retail intermediaries.
3.7.3 Integrated Marketing Communications

**IMC Message: “Contain and Train your pet with no strings attached”**

**Advertising**

- Monthly 1-page ad in Cesar’s Way Magazine @$3,340 for each edition.
  
  Ads to run every other month for twelve months – 6 issues. Total Cost $20,040 (Quirk Enterprises, 2012)

- Monthly 1-page ad in Cat Fancy Magazine @$3,340 for each edition.
  
  Ads to run every month for twelve months – 12 issues. Total Cost $40,080 (Quirk Enterprises, 2012)

**Personal Selling**


**Interactive Marketing**

- Pay per Click Advertisement on Facebook, allowing users to “like” the Invisible Leash.
  
  Budget : $4,000 (Facebook, 2012)
3.8 Marketing Research

The concept for the Invisible Leash was realized when the creators failed to find a suitable products that fit their needs as well as treated their pets with dignity and respect. The inventors wanted to allow their furry family members to roam free at home outside while preserving the view giving by the land. Underground wired fences subjected pets to electric shocks and retractable leashes were too restrictive for the pet’s movements. This forced pets to be tied up in their own leash.

After talking to my friends and family, the investors realized they were not alone in their discontentment with other pet products that used electric shocks as negative reinforcement for pet disobedience. Another issue brought to their attention by the informal research done among their older friends was the increase of back pain associated with walking their dog. At the start, since friend’s pets are eager begin their walks; larger pets tend to pull hard on the leash causing discomfort for the owner.

The need for the Invisible Leash was based on these two factors, the lack of a product to include non-electric stimulus reinforcement as a fence boundary or leash supplement.
4.0 Controls

4.1 Implementation

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<th>Date</th>
<th>Action Item</th>
<th>Responsibility</th>
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<tbody>
<tr>
<td>October 29, 2012</td>
<td>Design and Implement Website</td>
<td>CMO &amp; IT Manager</td>
</tr>
<tr>
<td>October 29, 2012</td>
<td>Train Functional Sales team</td>
<td>CMO</td>
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<td>November 1, 2012</td>
<td>Implement magazine advertising</td>
<td>Advertising Director</td>
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<td>January 1, 2013</td>
<td>Launch website and e-commerce site</td>
<td>IT Manager</td>
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<tr>
<td>February 11-12, 2013</td>
<td>Attend Westminster Dog Show</td>
<td>CMO &amp; Sales Team</td>
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<td>February 13, 2013</td>
<td>Launch Facebook advertisements</td>
<td>IT Manager</td>
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<tr>
<td>March 1, 2013</td>
<td>Implement guerrilla marketing technics on social media sites.</td>
<td>Social Media Director</td>
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4.2 Marketing Organization

The responsibility for the marketing thrust and all Marketing activities is the CMO, Mike Mateja.
4.3 Contingency Planning

Difficulties and Risks

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<th>Risk</th>
<th>Contingency</th>
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</thead>
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<tr>
<td>Website security threatened</td>
<td>Disaster recovery Plan in place:</td>
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<tr>
<td></td>
<td>Outside third-party contract to handle order taking until system recovered</td>
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<td>Marketing Plan rejected by Target Market</td>
<td>Revise plan to attack female demographic</td>
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<tr>
<td>Business unable to turn over a profit as projected</td>
<td>Introduce cost cutting promotion</td>
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<tr>
<td>High turnover in functional sales team</td>
<td>Review commission compensation in contract to remain competitive in the market</td>
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References


