

Marketing Plan:

Prepared for EMRY Cycling Inc.

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Table of Contents

Executive Summary	3
Strategic Focus and Plan	4
Core Competencies and Sustainable Competitive Advantage	4
Situation Analysis	5
Marketing and Product Objectives	12
Marketing Program	14
Evaluation and Control	21
Conclusion	21
References	23
Appendices	25

Executive Summary

According to Statistics Canada (2017), 19,355 individuals within the city of Vancouver use cycling as their main method of commuting. In addition, Vancouver is listed as the 5th highest growing rate of cycling traffic in the world (Daily Hive, 2016). These statements, along with mandatory helmet laws in Vancouver, present an interesting opportunity to develop a product that satisfies the needs and solves problems for consumers within the market.

The purpose of this plan is to investigate and evaluate the market while providing strategies to properly produce, price, place, and promote EMRY's helmet. The market for LED signaling helmets is within a niche segment of the broad cycling industry. The current trends include increased value on health and wellness, women in cycling, and financial savings for the future. Failing to identify the target market creates significant issues in developing the marketing program for the LED signaling helmet.

The target market for EMRY consists of individuals aged 25-36 who utilize cycling daily as a part of their training routine or as their main form of transportation. The individuals best suited for the product are those who are integrated with drivers on the road, especially those who reside within centralized or urban areas that allow for cycling as a form of transportation. These individuals would have an income between \$50,000 to \$110,000 a year, hold a university level education, and work in the white collar or service sector (Environics Analytics, 2017). In addition, it is imperative that EMRY aligns itself with its target customers' core values, including environmental sustainability, safety concerns, and authentic ethical products.

The EMRY brand is designed to make a statement about its customers, indicating that they are hardworking, dedicated, and passionate. The high quality and affordable helmet satisfies and sustains the needs of the consumers. To reflect these factors, the product will follow a pricing strategy designed to increase sales and market share. The product will be distributed through wholesaling, e-commerce, and partnerships with Amazon. To attract a following to EMRY, the promotional efforts will emphasize brand awareness. Most notably, EMRY will focus the majority of its promotional strategy towards online and social media marketing in order to reach its target audience most effectively. Ultimately, the objective of EMRY is to create a product that is environmentally sustainable and increases cyclists' safety while earning a profit.

Strategic Focus and Plan

Mission Statement

At EMRY, the mission is to create a product that provides commuter cyclists with a safe and innovative way to travel without breaking the bank or sacrificing the environment. The mission statement indicates that EMRY is committed to changing the commuter cycling industry. It shows that EMRY is focusing its efforts on introducing an affordable product that enhances safety but does not compromise luxurious features. In addition, it shows EMRY's dedication to manufacturing products with environmental integrity.

Corporate Goals

Non-Financial Objectives:

1. To be recognized on the Forbes Annual List of the World's Most Innovative Companies within the first year.
2. Increase the number of citizens in Vancouver, B.C. who use cycling as a form of travel by 25% within the first 5 years by providing a product that increases road safety awareness.
3. To create a product that reduces the expense of cycling as a form of travel by disrupting the market norms through affordable pricing without sacrificing innovative features.

Financial Objectives:

1. Increase market share to 30% within the first year by implementing a penetration pricing strategy.
2. To achieve a revenue level of \$140,000 by moving 1000 units of product at \$140 within the first year of business.

Core Competencies and Sustainable Competitive Advantage

The core competencies of EMRY include the expertise and skills of its founding members, exceptional customer service, and technologically-advanced products. EMRY employees pride themselves on being driven, innovative, creative, and knowledgeable. EMRY is committed to delivering an exceptional level of service before and after the sale, including respect to all customers, quick response times, follow ups, extended warranties, and community involvement. In addition to exceptional staff and customer service, EMRY also places value on delivering products that will be disruptive in the competitive market.

The sustainable competitive advantages of EMRY include affordability, safety, convenience, and environmental friendliness. As a new business, EMRY is focusing its efforts on creating a product that will disrupt the market. It is striving to provide an affordable approach that does not compromise features and details. In comparison to traditional bicycle helmets, EMRY's product will make it easier for cyclists to signal and indicate in a way that is more noticeable and understandable to drivers. EMRY believes that safety should never be a burden and wants to offer a product that provides an exceptional level of safety at an accessible price.

Situation Analysis

Environmental Scan

Demographic

According to Daily Hive (2016), Vancouver ranks 5th in the world for cities experiencing the most growth in bicycle traffic. In a study conducted by Ramage-Morin, (2017), 41% of British Columbians cycled in the year 2013-2014. This equates to approximately 985,372 people within the Vancouver area (Ramage-Morin, 2017). The target customer of EMRY is an individual who cycles as a mode of transportation through cities and urban areas where they are interacting with motor vehicles on the road. Typically, these individuals would reside in areas that are conveniently located to their place of work, such as financial hubs and downtown cores. This report will include an investigation into the demographics of individuals located in the city of Vancouver but will be extended to the rest of the Greater Vancouver Regional District. The City of Vancouver is characterized as middle- to upper-class young, diverse singles with income levels ranging between \$50,000 to \$110,000 per year (EnviroNics Analytics, 2017). These individuals value an active and healthy lifestyle, but express concern about the future (EnviroNics Analytics, 2017). This provides an interesting opportunity for EMRY to target its product towards individuals with fair amounts of discretionary income, but still wishing to save money (EnviroNics Analytics, 2017).

Socio-cultural

Adults' enthusiasm towards healthy and active lifestyles is one of the most popular consumer trends currently in Canada (Euromonitor, 2017). According to Euromonitor (2017), Canadians are "seeking out the latest crazes and hopping on trendy exercise bandwagons." Since EMRY offers a product designed to integrate health and wellness into individuals' daily routines,

it has an advantage towards marketing to individuals who place value on these trends. In addition, Su, Winters, Nunes, & Brauer (2010) stated that Canadians are showing an enhanced attitude towards environmental activism. Canadians are consistently making choices that do not negatively impact the environment, which, in turn, promotes cycling as a mode of transportation rather than driving in an effort to reduce car emissions (Su et al., 2010).

Competition

EMRY operates within a niche market containing a few direct competitors and multiple indirect substitutes. Three of the largest direct competitors to EMRY include Lumos, Magicshine, and T2 Torch. Each of these companies offer similar products to EMRY, but at more expensive prices and with less features. First, the Lumos helmet is the most similarly designed product to EMRY's, but it is priced at \$233.03 CAD and does not include MIPS technology (Lumos Helmet, n.d.). Second, the Magicshine MJ- Genie helmet is priced at \$218.54 CAD but does not include flashing turn signals; this could potentially be confusing for drivers to understand (MJ-Genie Helmet Light, n.d.). Lastly, the T2 Torch helmet is priced at \$175.21 CAD, but it does not have turn signals and is only sold online (T2 TORCH RED BIKE HELMET, n.d.). In contrast, indirect competitors include, but are not limited to, reflective wheel stripes, reflective spray paints, and airbag helmets. First, Fiks Reflective Wheel Stripes offer a cheaper alternative way to be seen on the road at \$25.75 CAD, but it has significantly less safety components than EMRY's product (Black Reflective Wheel Stripes, n.d.). As well, Volvo LifePaint Reflective Spray is a cheaper option at \$20.72 CAD but does not provide the same degree of safety or usability as EMRY's helmet (LifePaint, n.d.). All of these companies offer products that increase a cyclist's level of safety, but they differ from EMRY's product in terms of price, function, and added features.

Technological

According to Canadian Institute for Health Information (July 2011), approximately 16% of cycling related injuries between 2007 and 2010 were due to trauma on the head. Amoros, Chiron, Martin, Thelot, and Laumon (2012), concluded that wearing protective helmets significantly lowers the risk of a head injury. The current popularity of MIPS technology incorporated into cycling helmets presents an interesting production opportunity for EMRY. MIPS is a multi-direction impact protection system added to helmets that reduces rotation of the head and brain when it is impacted at an angle (Technology, n.d.). MIPS is integrated into many

well-known helmet brands, and if EMRY chooses to create its products without this technology it is exposing itself to a great threat (Helmets, n.d.).

Economic

According to Euromonitor (2017), current consumer confidence levels are high in Canada due to a surplus of jobs. In addition, consumer expenditures achieved \$80,154 per household in 2016 (Euromonitor, 2017). Higher confidence levels in consumers resulted in an increase in spending on non-essential goods, extra leisure time, and purchases of higher ticket items (Euromonitor, 2017). However, despite the increase in household income and discretionary income discovered by Euromonitor (2017), households in Vancouver spend less than the rest of Canada (Euromonitor, Oct 6, 2017). The majority of individuals' income is spent on education, housing, and meals, resulting in less spent on discretionary purchases (Euromonitor, Oct 6, 2017). Pulos (2014), stated that the Canadian government is actively promoting sustainable forms of transportation in Vancouver to reduce the high costs of living in the city. The government is currently assessing five types of transportation: carpooling, public busses, skytrains, walking, and cycling (Pulos, 2014). The transition from the use of a motor vehicle to a bicycle can reduce average personal expenses by \$8800 per year, indicating that cycling is one of the most cost-efficient forms of transportation (Pulos, 2014). Based on the findings above, it is evident that EMRY must take careful consideration when determining a price strategy to satisfy the needs of consumers looking for a budget friendly option, as well as maintaining the ability to create a profit.

Regulatory

Although the health and environmental benefits of cycling are accepted in Canada, the government still expresses significant concern for the dangers it presents (Ramage-Morin, 2017). Some of the ways the government has attempted to reduce risks for cyclists include increasing cycling infrastructure, adding side guards for commercial trucks, promoting driver behaviour by sharing the road, and promoting cyclist behaviour by increasing visibility and enforcing helmet use (Ramage-Morin, 2017). The law in British Columbia requires that all cyclists wear a helmet, and that all helmets produced meet certain safety standards (British Columbia Cycling Coalition, 2005). Standards enforced include “the capability to absorb energy on impact, a smooth outer surface, [being] strongly attached to a strap under the chin, and [being] undamaged” (Superintendent of Motor Vehicles, 2018). In order for EMRY's product to ensure customer

satisfaction and legal responsibility, it must meet the safety guidelines and specifications set by the government. Ultimately, more individuals being encouraged to partake in cycling and required to wear helmets while doing so will result in more individuals seeking to purchase EMRY's product.

SWOT Analysis

The SWOT analysis is summarized in the table below. It includes the internal strengths and weaknesses, and external opportunities and threats that can influence EMRY's success.

Strengths	Weaknesses
<ul style="list-style-type: none"> · Local production means faster turnaround on production. · Small company size means fast responses due to lack of 'red tape' and higher management approval. · We can give really good customer care, as the current small amount of work means we have plenty of time to devote to customers. · We can change direction quickly if we find that our marketing is not working. · We have low overheads, so we can offer good value to customers. 	<ul style="list-style-type: none"> · Little market presence or reputation. · Small number of staff, with limited skills in many areas. · Cash flow will be unreliable in the early stages. · Local material costs could be high.
Opportunities	Threats
<ul style="list-style-type: none"> · Our market sector is growing, ensuring future growth for our product. · Local government wants to encourage green transport and heavily supports cycling for commuting. · Bicycle safety is currently 'on trend' across many age groups. · Current technological trends can provide more opportunity for technological innovations such as ours. 	<ul style="list-style-type: none"> · Developments in technology may change this market beyond our ability to adapt. · A small change in the focus of a large competitor might wipe out any market position we achieve. · Cheaper overseas competition could take advantage of our higher local costs. · Larger local competitors could erode our market segment.

Analysis of:

Industry

EMRY operates within the cycling or cycling apparel industry, specifically the helmet industry. This industry is large, with many direct and indirect competitors such as Giro, Bell, Lumos, Magicshine, and Smith. Helmet designs differ depending on individual company targets, creating variations between products in sizing, reflectivity, technology, and visibility, among

other areas. A major opportunity within the industry is female involvement in competitive and commuter cycling. According to C. Cook, the participation rate of women in cycling is growing exponentially, which challenges companies to create products designed for women that are not limited to changes in colour, appearance, or name (personal communication, February 28, 2018). In addition, women tend to value community pre- and post-ride experience, and safety, which also presents companies with a challenge to create products or services that build upon these trends (C. Cook, personal communication, February 28, 2018). In contrast, trends in the cycling industry that display a threat include increased interest in off-road cycling and e-bikes or bike sharing programs. C. Cook stated that “there has been a shift in interest from road cycling to cyclocross or off-road cycling,” indicating that cyclists may be more willing to spend their money on products that enhance these types of cycling (personal communication, February 28, 2018). The challenges that the e-bike or bike sharing industries have experienced display a threat as well. Commuting is only significantly popular in centralized and/or urban locations and is not fully adopted in North American culture (C. Cook, personal communication, February 28, 2018). Ultimately, these opportunities and threats are important to address because they affect the depth of EMRY’s market segments and the reach of consumers.

Competitors

Three of the largest direct competitors to EMRY include Lumos, Magicshine, and T2 Torch. Each of these companies provide products for EMRY to improve upon. First, the Lumos helmet offers similar features to EMRY’s design, such as rechargeable batteries with a six-hour battery life and wireless remotes. In contrast, the Lumos lacks in affordability and industry-leading safety features. The standard cost for the Lumos helmet is \$233.03 CAD, which is relatively expensive for a target customer who has an intention of cutting costs by using cycling as a mode of transportation (Lumos Helmet, n.d.). As well, the Lumos helmet does not include MIPS technology, (FAQ, n.d.) which is a low friction layer added to helmets that reduces rotation of the head and brain when the ground is impacted at an angle (Technology, n.d.). MIPS technology is integrated into many big-name brands’ helmet designs, and Lumos has significantly lowered their value by not incorporating MIPS technology (Helmets, n.d.). Second, the Magicshine MJ- Genie Helmet Light offers a similar product to EMRY but has reduced features. It is cheaper than the Lumos helmet but is still relatively expensive at \$218.54 CAD. In contrast to EMRY’s product, the Magicshine helmet does not offer features such as flashing

signals, extended warranty, and multiple sizes (MJ-Genie Helmet Light, n.d.). As well, the Magicshine helmet is only sold online, which limits its availability. This is a major drawback in comparison to the competition and provides EMRY with an advantage towards the offering of their product. Lastly, Torch offers a helmet at a similar price to EMRY's at \$175.21, but without signals. The T2 Torch has an LED light design that is strictly for cyclist visibility and driver awareness (T2 Torch Red Bike Helmet, n.d.). The T2 Torch product is also not sold in stores in Canada, only online through Amazon (Amazon Launchpad, n.d.).

In addition to Lumos, Magicshine, and T2 Torch, EMRY needs to be aware of indirect competitors. Indirect competition includes companies that are distributing products that provide similar safety offerings, the main feature of an LED signaling bike helmet. This includes companies such as Volvo LifePaint and Hovding Airbag Helmet. Volvo LifePaint is a reflective spray designed to be applied to textile materials such as clothing and helmets. The purpose of the paint is to glow when headlights shine on it to keep cyclists safe and to make them more visible to drivers (LifePaint, n.d.). LifePaint is priced at \$20.72, making it a much cheaper alternative to EMRY (LifePaint, n.d.). In contrast, Volvo's product does not offer the same level of safety as EMRY and only glows in the direct glare of headlights. The Hovding Airbag Helmet is a garment worn around the neck that, with sensor technology, inflates around the cyclist's head during a crash (How Hovding Works, n.d.). Although the Hovding helmet provides significant safety features, it is priced at \$476.54 CAD, which may be considered too expensive for some consumers (Hovding 2.0, n.d.).

Company

EMRY is an organization developed to create a range of cycling products that enhance a commuter's ride in terms of safety, style, and convenience. Established in the summer of 2017 as a new venture, EMRY is currently operating with limited resources. Due to their restrictions, EMRY is focusing its efforts to develop its first product, the LED Helmet. The LED Helmet is designed with integrated LED turn signals to flash in the direction the cyclist is turning. It features a wireless remote mounted on the handlebars of the bicycle; 350 LED lights; left, right, and stop signals; and front/rear visibility lights. The LED Helmet is designed to increase the level of safety cyclists have when interacting with drivers on the road. The products created by EMRY make a statement about their customers; they indicate that the users are environmentally conscious, dedicated, driven, educated, and innovative. EMRY operates within a niche market,

targeting consumers who enjoy cycling, use it as a mode of transportation, and want to ride everyday as a part of their training routine (C. Cook, personal communication, February 28, 2018). Its products are made to solve problems for commuters, and its mission is to provide cyclists with a safer experience on the road while increasing drivers' awareness of cyclists. In addition, EMRY prides itself on being environmentally sustainable. It is committed to using environmentally friendly materials and sources during production, as well as striving to promote cycling as a mode of transportation to reduce the number of cars on the road. In the future, EMRY hopes to develop an extensive range of products for commuter cyclists, utilizing advanced technology and trends.

Customers

Attached in Appendix B is a personified description of EMRY's target customer. The customer is an individual between the ages of 25 and 36 who is in the workforce and uses cycling as a mode of transportation. Since the individual commutes to their workplace via bicycle, they would typically live in an urban area or hub that is in a relatively convenient location. These areas would include Downtown Vancouver, Lonsdale, East Vancouver, Kitsilano, etc. and would be limited to suburban areas such as West Vancouver, Lynn Valley, Deep Cove, Abbotsford, and Langley. Based on research conducted by Environics Analytics (2018), the target customer holds a university level education, is within middle to upper class, works in the white collar or service sector, and has an income level between \$50,000 and \$110,000 per year. Users of the product do not want to spend their money on motorized transit; by result, they are committed to spending a portion of their discretionary income on cycling products and apparel (C. Cook, personal communication, February 28, 2018). This commitment increases their willingness and ability to purchase EMRY's LED Helmet. The consumers targeted are those who place a value on health and wellness. In addition, the target customer lives a lifestyle committed to environmental sustainability. In searching for products to enhance their cycling commute, they are looking for products that make a statement about themselves (C. Cook, personal communication, February 28, 2018). LED Helmet indicates that its user is hardworking, dedicated, and passionate. This personified description of EMRY's target customer creates the base for the target market, and it will continue to be referenced throughout this report.

Marketing and Product Objectives

Objectives

EMRY's objectives are designed to align with its corporate goals and values. The first objective is to increase market share by 30% within the first year of operations by implementing a penetration pricing strategy (see pricing strategy). Although EMRY is a recently formed company with little awareness, this goal is achievable as the lower introductory price will entice consumers to purchase the product. The second objective is to promote brand awareness by increasing its Instagram following to 1,000,000, Facebook likes to 500,000, and Twitter followers to 200,000 within the first year. Through achieving these social media goals, EMRY will be able to develop promotion of their product before it has launched. Ultimately, having a strong social media presence will help EMRY to develop brand awareness and, in doing so, will attract more buyers to purchase the product (see promotional strategy). EMRY values environmental sustainability; it demonstrates this by making its products out of recycled materials and focussing on reducing the number of drivers on the road. Therefore, the final objective of EMRY is to promote environmental awareness by increasing the number of individuals in Vancouver who use cycling as their primary mode of transportation by 25% within its first 5 years. In achieving this objective, EMRY hopes to reduce carbon emission levels in Vancouver, create cleaner cycling communities and supporting local environmental activism.

Target Markets

Despite the breadth of the cycling industry, the market for LED signaling helmets is considered niche. EMRY is located in Vancouver, B.C. and its target market consists of individuals living in the City of Vancouver who use cycling as their main form of transportation. The LED helmet is specifically beneficial for those individuals who are cycling through cities or urban areas, as they must interact with drivers of motor vehicles on the road. The market could extend to individuals living in centralized urban areas throughout the rest of Canada as EMRY grows, but the target will be limited to Vancouver at this stage.

According to Statistics Canada (2017), the population of Vancouver is recorded at 631,486 people. In narrower terms, 187,360 individuals commute within their subdivision of residence, and 19,355 individuals used cycling as their main mode of commuting (Statistics Canada, 2017). The market for EMRY consists of residents living in areas such as Downtown Vancouver, East Vancouver, Kitsilano, and potentially Lonsdale. These individuals are

considered middle to upper-class, younger and diverse singles, with income levels ranging between \$50,000 to \$110,000 per year (Environics Analytics, 2017). Attached in Appendix B is a personified description of EMRY's target customer.

The customers in the market are between the ages of 25 and 36 and are included in the workforce. These individuals value health and wellness, but express concern for financial savings for the future (Environics Analytics, 2017). They hold a university level education, and work within the white collar or service sector (Environics Analytics, 2017). These individuals are committed to living an active and healthy lifestyle and want to incorporate commuting as a daily part of their training routine (C. Cook, personal communication, February 28, 2018). As well, the customers value environmental sustainability and want to purchase products that align with and make a statement about this (C. Cook, personal communication, February 28, 2018). The EMRY LED Helmet indicates that its users are dedicated to positively impacting the environment by choosing to cycle rather than drive as their main form of transportation. The product shows that the individual wearing it is hardworking, committed, and determined. They own a wide range of cycling gear and products, and are enthusiastic about spending a portion of their discretionary income on this hobby (C. Cook, personal communication, February 28, 2018). In addition, the customers of EMRY value products that are high quality, innovative, affordable, and align with their core beliefs. In targeting these individuals, EMRY can encourage early brand loyalty and product awareness.

Points of Difference

EMRY functions within the cycling and cycling apparel industry. Although the market for LED turn signal indicator helmets would be considered niche, there are numerous substitutes that provide the same function such as the Bell Zephyr MIPS-Equipped helmet or the GIRO Synthe MIPS helmet (Ten Road Bike Helmets We Know You'll Love, n.d.). The EMRY LED Helmet differs from standard helmets on the market due to its added safety features and visibility enhancements. Some cyclists may feel unsafe when they are indicating their turns with their hands. In addition, some drivers may not understand what hand turn signals mean. The EMRY LED Helmet has been designed to provide cyclists with a convenient and more effective way to indicate turning. The wireless mounted remote allows cyclists to safely and easily activate the signals. The flashing LED lights shaped as arrows wrapping around the back of the helmet ensure that the cyclist is highly visible to drivers. In regard to direct competitors such as Lumos

and Magicshine, EMRY will differ in terms of price, environmental sustainability, and integrated MIPS technology. First, the price of LED Helmet will be significantly lower at \$135 CAD in comparison to competitors pricing between \$175 and \$250 CAD. EMRY has chosen this price because it believes that consumers' safety should never come as a monetary burden. Second, EMRY is committed to using environmentally friendly materials and sources in the manufacturing of its products. The target customer of EMRY is an individual who values environmental sustainability, and EMRY has differentiated itself from its competition by incorporating ethical sources of its materials. Lastly, the LED helmet includes MIPS technology, which is available in the majority of cycling helmets, but it is not utilized in direct competitors Lumos' or Magicshine's models. Ultimately, the points of difference for LED Helmet are what allow EMRY to position itself at a higher value while still maintaining its affordability.

Positioning

Attached in the Appendix C is a graphical representation of EMRY's product positioning map. On the vertical axis of the matrix is value. The term value represents all of the aspects that make the product favourable, including safety, environmental sustainability, appearance, and convenience. The horizontal axis represents price. Although price is not typically part of a positioning map, EMRY places value on offering a high-quality product that is not a financial burden. EMRY is positioned in the top left side box, indicating that its products are high in value and moderate to low in price. The positioning statement of the company is as follows: the EMRY LED helmet is positioned in the cycling helmet market as an affordable and high-quality product that enhances a cyclist's daily commute. The helmet is made out of recycled materials and bright LED technology to create a unique and adventurous appearance. Unlike traditional cycling helmets, EMRY offers innovative safety features, sleek design, and adjustable sizing to fit a broad range of head sizes and shapes.

Marketing Program

Product Strategy

EMRY has created the LED signaling cycling helmet. The helmet includes many innovative safety, design, environmental, and service features. The helmet is equipped with 350 LED lights that signal left, right, and stop indications with the touch of a button. The buttons are placed conveniently on a wireless remote mounted to the handlebars of a bicycle. The remote

features 6 buttons: a left signal, right signal, stop signal, and front and rear visibility lights. In comparison to traditional hand signals, the EMRY helmet is designed give cyclists a safer way to indicate without having to lift an arm off the handle bars, which could potentially lead to the cyclist losing balance, resulting in an injury. As well, some drivers may be unaware of what traditional hand signals mean. LED Helmet creates a clear, understandable, and visible way for drivers to recognize what the cyclist's indications represent. In addition, EMRY has partnered with MIPS technology to create an advanced protection system to increase the level of safety in each helmet model.

The LED helmet is designed to fit a wide range of head sizes and shapes. Each model includes an adjustable chin strap, tightening mechanisms, and male and female shapes. The current trend of women's involvement in cycling has encouraged EMRY to develop products that satisfy women but go beyond simply changing colours or names. As well, the products created by EMRY are all made of 90% recycled materials. The batteries on the helmet are rechargeable and therefore do not need to be replaced. Furthermore, EMRY has a ten-year warranty policy on all products. If any components break or need replacing EMRY will fix them free of charge, and if they cannot be fixed they will be complimentary replaced.

The brand EMRY makes a statement about its customers. Individuals who purchase EMRY products are hardworking, committed, and passionate. Attached in Appendix D is an image of EMRY's logo, and a mood board encompassing the brand of EMRY. The logo design represents the dedication of a cyclist, while the metallic colours show innovation and disruptive mentalities. EMRY and its customers support environmental activism and sustainable initiatives. The EMRY brand believes that safety should come at an affordable price, and therefore products are designed with high quality at a low cost.

Pricing Strategy

Initially, during the introduction stage of the product life cycle, EMRY will employ a higher price at \$140 CAD per unit. In contrast to direct competitors Lumos and Magicshine, which are priced at \$233.03 and \$218.54 CAD respectively, EMRY is significantly cheaper. One of EMRY's target objectives is to increase market share and become a market leader. Introducing the product at a lower price relative to competitors encourages customers to purchase the product, as it increases perceived value.

In financial terms, if the product costs \$40 per unit to manufacture, the result is a profit of \$100 per unit ($\$140 - \$40 = \100). The early stage goal is to sell at least 1000 units at a price of \$140 per unit, earning total revenue of \$140,000 and \$100,000 of profit, within the first year. Although the initial price is higher than the penetration strategy that follows, the objective is to generate greater amounts of income to fund the promotional strategy. However, new businesses tend to lose profits within their first year of operation. Due to this, EMRY has set a second projection to earn \$30,000 or less of profits within the first six to twelve months of business. Regardless, the income earned within the first year will be reallocated back into the company to create brand awareness and increase market share.

Next, the pricing strategy of the growth and maturity stage of the product life cycle will be combined. This stage is considered the official product launch period. Assuming the product is consistently selling in the market, EMRY will engage in a penetration strategy and lower the price to \$125. Since the target customers of EMRY value high quality products at an affordable price, lowering the price will encourage loyalty and increase market share. For example, if at this price EMRY increases sales to 4000 units, the revenues would increase to \$500,000 (4000 units x \$125). Assuming that costs of production remain at \$40 per unit, the total profit would be \$340,000 ($\$500,000 - (4000 \times \$40)$). Due to this increase in profits, EMRY will focus on maximizing marketing initiatives during this stage. Ultimately, the increase in profits will be invested into brand awareness and inventory manufacturing. Operating costs during this stage would be approximately \$60,000, leading to a return on investment of approximately 68%. The pricing strategy at this stage is temporary in an attempt to generate sales and have more income to re-invest in the company

Lastly, during the decline stage of the product life cycle a final price will be established. The anticipated final consumer pricing point would be marketed at \$135 per unit. This is the price that retailers such as John Henry, Cove Bikes, Sport Chek, and Walmart would sell the EMRY helmet for. In addition, this is the price that EMRY would list its product for on its own website. E-markets such as Amazon could potentially have a discounted price at their discretion during promotional periods. At this stage and price level, EMRY should expect to sell approximately 8000 units each month, leading to between 96,000 and 100,000 units per year. Furthermore, as fluctuations in the economy and consumer demands change, EMRY must be aware of any adjustments that need to be made to its pricing strategy.

An optional adjustment that could be made is the transition to cheaper suppliers and manufacturers. During the decline stage, in order to raise profits for investment into re-modelling their products EMRY could source for lower prices on production. Assuming EMRY is able to lower production costs to \$30 per unit while keeping sales and price consistent at 8000 units at \$135, the break-even point would be 2370 units. This adjustment would allow EMRY to offer promotions and discount products during holidays or slow periods.

Distribution Strategy

The distribution strategy set by EMRY consists of wholesaling, operating its own e-commerce website, and partnering with Amazon. First, EMRY will operate as a manufacturer and a direct wholesaler to local cycling stores such as John Henry Bikes, Cove Bikes, and Steed Cycles; and large retailers such as Walmart, Target, Costco, Sport Chek, etc. By offering its products in multiple different stores, EMRY will increase brand awareness and, ultimately, sales. Wholesaling to retailers also provides an opportunity to create strategic alliances. Ideally, to increase the inventory turnover rate, EMRY plans to encourage retailers to consistently order in bulk. EMRY products will be supplied to retailers at \$125 per unit regularly, but will offer industry, mass, reoccurring, and contract discounts. For example, if a retailer, such as Sport Chek, signs a contract to order 100,000 units, EMRY will offer them a per unit cost of \$100, in contrast to the retail price of \$135 per unit. If the 100,000 units are sold at \$100 per unit, less the \$40 per unit production cost, EMRY will earn \$6,000,000 in revenue from the single retailer. In essence, these discounts benefit both EMRY and the retailers.

Next, EMRY will distribute products directly to consumers through its e-commerce website, since Vancouver is one of the “most digitally developed cities in North America” and online presence is crucial for companies to succeed (Euromonitor, Oct 2017). EMRY has decided to create an online store in order to satisfy consumers’ needs through convenience and efficiency. The e-commerce website will provide free shipping for all of Canada, next-day delivery within Vancouver, and shipment tracking services. As well, the website will offer live chat rooms with customer service representations to provide efficient and effective real-time support. The utilization of an online store rather than a traditional brick and mortar store allows EMRY to lower rent, inventory, employee, and operating expenses. In addition, it allows them to track inventory in real time, and distribute orders to suppliers and customers from one location.

Lastly, EMRY has created a partnership with Amazon. Incorporating Amazon into EMRY's distribution channel increases the number of potential customers. Many consumers already express loyalty to Amazon through their Prime services and subscriptions; therefore, incorporating Amazon extends the reach of customers. Amazon has similar benefits to EMRY's own e-commerce website, but, in contrast, it reduces costs for packing, shipping, and storing by a greater amount. In addition, Amazon is able to market the product at a lower price, increasing brand awareness and creating incentives for consumers to purchase the EMRY LED Helmet.

Promotion Strategy

Integrated Marketing Communications (IMC)

Since EMRY is a new venture with very little market presence, the primary focus of the promotional strategy is brand awareness. To increase recognition of the brand, EMRY will incorporate platforms that encourage customer engagement and promote viral marketing techniques. Initially, the majority of the promotional strategy will be centered around online and social media marketing. A website will be created for EMRY that will include operations for its e-commerce store, product descriptions and images, customer service, forums, and blog posts. As well, EMRY will have a strong presence on social media platforms including Facebook, Twitter, Instagram, and YouTube. The content posted will consist of photos, videos, promotional contests, how-to-videos, etc. The utilization of online marketing offers significant advantages for communication with EMRY's target market. Online interaction and engagement between EMRY and its customers will promote a strong foundation for relationship management and brand loyalty. A wide variety of social media platforms have been chosen to ensure that all target customers have been reached. In contrast to other forms of marketing communications, online and social media campaigns exceed in satisfying the needs of the targeted customers. As well, these marketing communication tools closely monitor consumer trends and offer faster response times. In addition, online and social media platforms create an authentic brand and engage consumers who align with the values and beliefs of EMRY.

Target Audiences

The target audience of EMRY consists of individuals who use bicycles as their main mode of transportation, cycling through busy areas while interacting with drivers. Consumers in this area are middle to upper-class individuals whose ages range from 25 to 36 years. They are both male and female, and are located in urban/centralized areas. The audience values safety,

healthy and active lifestyles, independence, and environmental sustainability. The target audience is searching for a product that fulfills their needs and aligns with their values. In order to satisfy consumers, EMRY is promoting as an affordable but high-quality cycling helmet. To align with the consumers' values, EMRY manufactures its products from 90% recycled materials and sources ethical suppliers. In addition, the target audience has a strong social media and online presence; therefore, EMRY will reach its customers through these platforms. The social media pages and company website will include FAQs, how-to videos, and live-chat support. Furthermore, as a start-up company, EMRY has the opportunity to build strong customer relationships through personalized approaches, enhanced customer service, and early brand loyalty.

Allocate Weighting/Budget

EMRY's initial marketing budget is focused on brand awareness. Attached below is a table outlining the first-year marketing budget. The funds will be allocated between website creation, content production, advertising, promotions, events, and social media platforms. In the first year of business, the goal is to create a following rather than maximization of profits. The budget plan will be assessed on a quarterly basis to identify if the allocation needs adjusting. As a newly established business with a limited budget, the utilization of social media platforms such as Instagram, Facebook, Twitter, and YouTube offer the greatest opportunity at the lowest expense. In addition, partnerships with bloggers and influencers who align with the EMRY brand provide a genuine and authentic promotion.

Table for marketing budget for year one of the plan:

Marketing Costs	Budget
Website creation/ upgrade	\$3,000
Content production costs (ie video)	\$5,000
Advertising - online	\$10,000
Give away items and cash prize	\$5,000
Entertainment/ brand awareness	\$10,000
Marketing Budget – Year One	\$35,000

Design Promotional Program

The majority of EMRY's target audience are millennials. Therefore, electronic and online media will present the greatest marketing opportunity. Social media and online advertising can reach the broadest number of customers at the lowest cost. In the short term, these platforms will be used to measure brand status and encourage a following. In the long term, online and social media marketing will help create relationships with customers and brand promotion, and encourage environmental activism. EMRY will utilize platforms such as Instagram, Facebook, Twitter, and YouTube to post promotional pictures, videos, and contests to attract customer attention. In addition, EMRY will have an official website where customers can discover product information, prices, FAQs, customer service, and online ordering.

Part of the promotional strategy will include pull initiatives. EMRY will post content on social media platforms and partner with influencers to attract a following towards its brand. This includes giveaways, promotions, and contests. In the future, this strategy will incorporate referral and loyalty program incentives. An example of a promotional pull strategy on Instagram will be designed as follows: three months prior to the launch date, EMRY will post short videos and photos highlighting the product, design, and use of the LED helmet to capture the attention and attraction of followers. This strategy will build suspense and curiosity for the followers. EMRY has planned to achieve their goal of 100,000 Instagram followers within the first 3 months after the helmet has been launched by motivating customers to post creative photos of the product for a chance to be featured on EMRY's social media pages, as well as the opportunity to win a limited edition, personalized EMRY prize pack. Customers are encouraged to like the EMRY pages, tag their friends in content, and tag #EMRYlitUP on their own posts to endorse the multimedia promotion.

After the initial achievement of 100,000 followers on Instagram, EMRY will launch an additional giveaway of several limited-edition prizes and gift sets containing EMRY cycling products. Giveaways are designed to promote EMRY's brand through customer engagement and participation. In essence, they create brand awareness, increase following, secure collaboration with influencers, and establish long term marketing investments.

EMRY's promotional program for LED Helmet will be assessed frequently to ensure success. This allows for re-vision and re-development to satisfy the needs of the market and

develop a successful long-term promotional strategy. EMRY will monitor the success of the promotional program through market dashboards and metrics to identify areas of achievement and un-fulfillment. Ultimately, reevaluation allows EMRY to stay current with emerging technologies and social media platforms to utilize all communication channels that consumers desire.

Evaluation and Control

To measure the effectiveness of its marketing program, EMRY will use a dashboard to monitor and compare results to projections set in the initial strategy. Attached in Appendix E is a visual representation of EMRY's marketing dashboard. The dashboard will allow EMRY to determine if the strategies being used are meeting expectations. It will measure the direct impact on sales and profits to most effectively allocate time and money. The dashboard monitors sales, return on investment, social media following, and web traffic. EMRY can evaluate the results of the dashboard to identify gaps and revise objectives accordingly. EMRY utilizes financial marketing metrics, such as Salesforce, and analytics conversions to indicate revenues, return on investments, new and returning customers, and marketing expenses. Online and content marketing performance will be monitored through web analytics built into EMRY's platforms.

A profit and loss statement will be generated monthly for the first six months after the product has been launched, and quarterly following. The statements are designed to monitor the product's position within the market. Profit and loss reporting indicates whether EMRY is successful or struggling. In addition, the statements will be used to estimate the financial status of the company to indicate the potential for expansion or investment. The estimated profit and loss for the LED helmet after one year of operations is a gain of \$100,000 or 64% of gross profit margin (\$140,000 revenues -40,000 cost). For years two and three, the estimated gain is \$340,000 or 68% of gross profit (\$500,000 revenues-160,000 costs). Furthermore, assuming the lowest level of profits would be the break-even point, there will be no losses recorded.

Conclusion

The purpose of this marketing plan was to strategically outline the actions EMRY will take when launching its product. It included a detailed investigation into the industry, target market, competition, and market environment. It was discovered that the overall cycling market

is broad, but the market for LED signaling helmets is niche. The signaling helmets are designed for customers who use cycling everyday as their main form of transportation and as a part of their training routine. The current trends in the market include increased value on health and wellness, concerns over saving, and women's involvement in cycling. EMRY's target customer is a commuter cyclist, aged 25-36, with an income level between \$50,000 to \$110,000 per year (Environics Analytics, 2017). They also hold a university level education and work within the service or white-collar sector (Environics Analytics, 2017). It was found that there are very few direct competitors within the market, and EMRY differs by including higher quality products with lower prices. The strategy was implemented to align with EMRY's core value that safety should never feel like a financial burden. In addition, the product strategy included many innovative safety, design, environmental, and service features. The pricing of EMRY's helmet followed an initial high price, followed by a penetration strategy. The distribution channels EMRY incorporated include wholesaling, e-commerce, and partnerships with Amazon. In addition, the promotional strategy integrated a brand awareness focus into multiple social media platforms in order to reach the target audience in the most efficient and effective way. Furthermore, the marketing objectives will be evaluated frequently through the use of dashboards to indicate discrepancies and adjust the plan accordingly. In conclusion, the EMRY LED Helmet has been designed to satisfy target customers, increase cyclists' level of safety, promote environmental sustainability, and ultimately make a profit.

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Appendices

Appendix A

The following is an artistic representation of the data found by Environics Analytics (2017). The research was conducted to identify demographics and socio-cultural trends found within postal codes. The postal codes used for this report included the following; v6c 3t1, v6g 1m6, v6g 1b5, v6e 0b1, v6k 1m4, v6k 1e8, v6k 1j3, v6k 1c7, v5t 0a2, v5y 0b5, v5k 2b4, v6a 1c9, v5z 1c1, v6a 0b4, Retrieved January 27, 2018, from <http://www.environicsanalytics.ca/prizm5>



11 URBAN DIGERATI

Younger, well-educated city singles

Population: 516,155 (1.41% of Canada)

Households: 277,196 (1.91% of Canada)

Average Household Income: \$109,091

House Tenure: Rent & Own

Education: University

Occupation: White Collar

Cultural Diversity Index: High

Sample Social Value:

Sexual Permissiveness

U3 Urban Young

Y1 Singles Scene

URBAN

YOUNGER YEARS



13 ASIAN AVENUES

Successful, middle-aged and older Asian families

Population: 598,500 (1.62% of Canada)
Households: 184,075 (1.27% of Canada)
Average Household Income: \$91,272
House Tenure: Own
Education: Mixed
Occupation: Service Sector/White Collar
Cultural Diversity Index: High
Sample Social Value: Multiculturalism

U2 Urban Upscale Diverse

F9 Older Families

URBAN
 FAMILY LIFE



34 ROOMS WITH A VIEW

Young, diverse singles in urban high-rises

Population: 257,488 (0.71% of Canada)
Households: 161,828 (1.11% of Canada)
Average Household Income: \$58,599
House Tenure: Rent
Education: University
Occupation: White Collar/Service Sector
Cultural Diversity Index: High
Sample Social Value: Concern for Appearance

U4 Urban Younger Diverse

Y1 Singles Scene

URBAN
 YOUNGER YEARS



38 GRADS & PADS

Young, single urban renters

Population: 300,271 (0.86% of Canada)
Households: 185,276 (1.28% of Canada)
Average Household Income: \$69,574
House Tenure: Rent
Education: University
Occupation: Service Sector/White Collar
Cultural Diversity Index: Medium
Sample Social Value: Brand Genuineness

U3 Urban Young

Y1 Singles Scene

URBAN
 YOUNGER YEARS



56 SINGLE CITY JAZZ

Younger, diverse city singles in apartments

Population: 369,269 (1.08% of Canada)
Households: 200,967 (1.38% of Canada)
Average Household Income: \$51,683
House Tenure: Rent
Education: High School/University
Occupation: Service Sector
Cultural Diversity Index: High
Sample Social Value: North American Dream

U6 Urban Downscale

Y1 Singles Scene

URBAN
 YOUNGER YEARS

Appendix B

The following is a personified description of EMRY’s target customer



Christine

Worries:
Global warming, her environmental footprint, future monetary position

Hobbies:
Yoga, biking, volunteering

Education:
College or University

Age 28, living in her own apartment Downtown Vancouver. Loves tea in the morning and reading non-fiction books. Commutes to work by bicycle to reduce costs and carbon footprint, and maintain personal health. Values personal safety and the environment. Volunteers with programs focussing on protecting nature and spreading awareness of global warming. Special treats are walking to the nearby market and purchasing locally-grown snacks, and spending time outdoors with her friends.

Appendix C

Below is a graphic of EMRY's positioning map. On the horizontal axis, the level of expense is listed. On the vertical axis, the level of quality is listed. In comparison to competitors Lumos, Magicshine, and Torch T2, we can see that EMRY is of significantly higher quality and lower price.



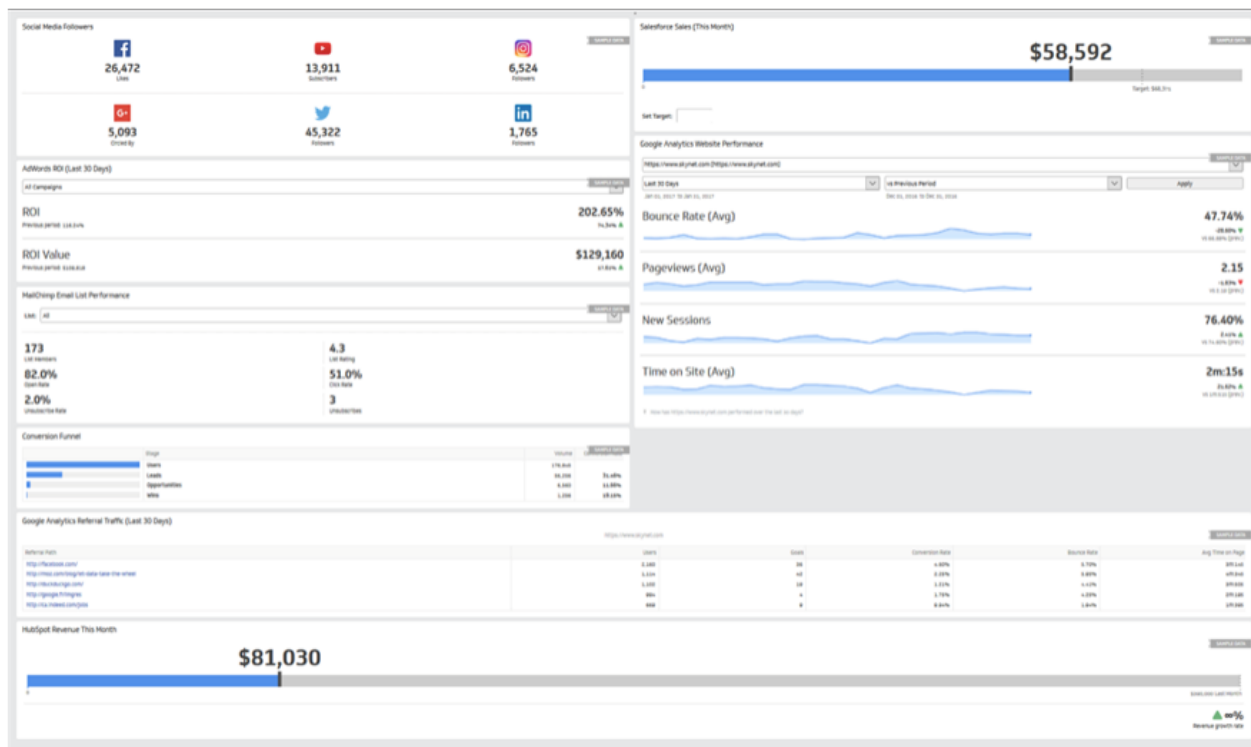
Appendix D

Attached below is EMRY's logo and product mood board.



Appendix E

Below is the marketing dashboard for EMRY Cycling Inc.



Appendix F

Below is a display of the personal communication had with Chris Cook at Capilano University on February 28, 2018.

Current trends/where the industry is going?

- E-bikes /cyclocross (off-road)
- Culture has not yet adapted cycling as a means of commuting or travelling
- Centralized/urban areas
- Market segments
 - Recreation consumers
 - Lifestyle, good health, socializing
 - Transportation consumers
 - Problem solving is the best product development
 - Clustering consumers with common needs and creating products they want
 - Competition consumers

What it looks like in a consumer group and what kind of products are offered

- Creating a product of value
- Consumer profiles: personas
 - Recreation consumer (60% of Norco's business)
 - 32-36
 - Pretty high income
 - Active lifestyles
 - Spend more on sports equipment
 - Socially active and aware (clubs)
 - Live near where they ride
 - Commuter (20% of business)
 - Multiple bikes
 - Enjoy cycling, ride every day as training
 - Cares about the environment
 - Doesn't want to spend money on transportation
 - Want an option that says something about themselves
 - Hardworking, committed, dedicated
 - Enjoy health and fitness
 - Competition (20% of business)
- More trends:
 - Active and healthy lifestyles
 - Outdoor life

- Women in cycling – specifically recreation and competition
- Community, pre/post ride safety
- Less on-road cycling, more focus on off-road (cyclocross)
- How consumers connect with the brand