

EARTH'S FINEST WATER.™



Media Flight Plan Case Study

Set sail 1,600 miles east-northeast from Australia's Great Barrier Reef and discover a remote chain of emerald isles scattered like pearls in the South Pacific, 330 islands raised up through volcanic eruptions around 150 million years ago.

Such remoteness has blessed these Fiji islands with equatorial trade winds that purify the clouds, and thus begins FIJI Water's journey through one of the world's last virgin ecosystems.



As tropical rains fall on pristine rain forests, it filters through layers of volcanic rock, slowly gathering the natural minerals and electrolytes that give FIJI Water its soft, smooth taste. The water collects in a natural aquifer, deep below the earth's surface, filtered slowly through confining layers of rock. From this natural artesian well, pressure slowly forces the water toward the surface where it is bottled at the source, free from human contact until you open it. Fijians think of their water as a gift from the gods, "untouched by man...Earth's Finest Water."



Fiji has been inhabited since the second millennium BC, and was originally settled by Austronesians and later by Melanesians, with some Polynesian influences as

well. Europeans visited Fiji from the 17th century, and following a brief period as an independent kingdom, the British established the Colony of Fiji in 1974. Fiji remained a British Crown colony until 1970, when it gained independence as a Commonwealth realm. Fijians declared their islands a republic in 1987, and after years of delays, a democratic election was held in 2014 when the FijiFirst party won the majority vote.



Not without challenges, Fiji's economy has gradually evolved into the 21st century. Although sugar processing makes up one-third of industrial activity, tourism is the backbone of their economy. Fiji is highly dependent on leisure travelers with an estimated 75% of visitors stating they came for vacations or holidays. In ranking order, international visitors by country include Australia, New Zealand and the United States.

Fiji has a significant number of soft coral reefs bathed in crystal clear Pacific waters making snorkeling and scuba diving the most popular tourist activities.

Fiji's main attractions to tourists are primarily white sandy beaches and aesthetically pleasing islands with all-year-round tropical weather.

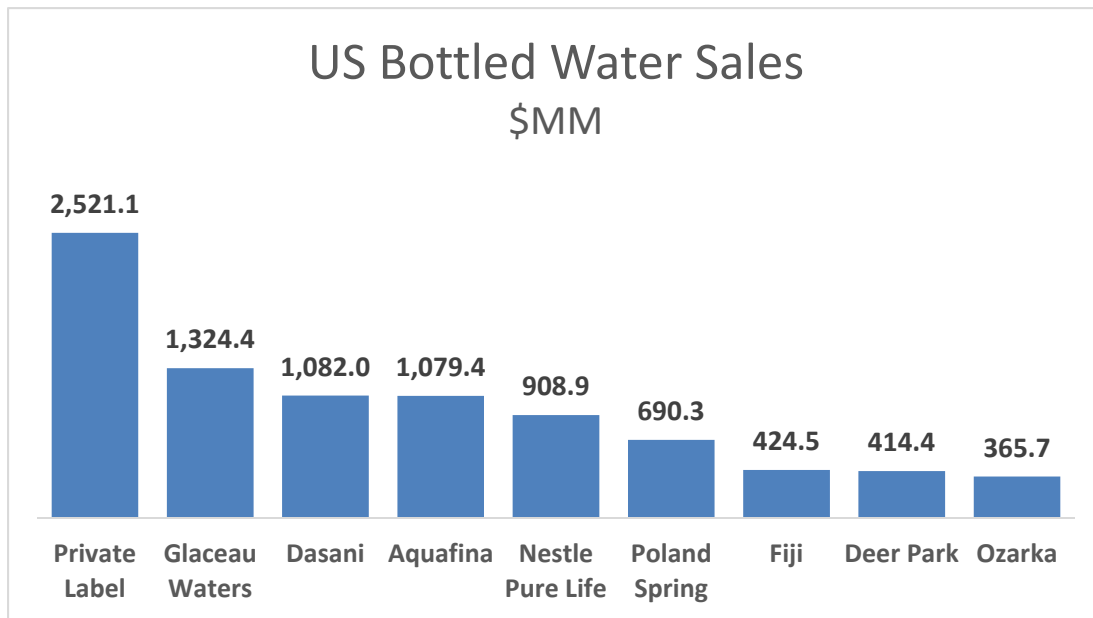


In general, Fiji is a mid-range priced holiday/vacation destination with most accommodations in this range. It also boasts a few world class five-star resorts and hotels.

History: FIJI Water

Canadian businessman, David Gilmour, founded FIJI Water under the name Natural Waters of Viti Ltd. in 1996. Eight years later, Stewart and Lynda Resnick's company, *Roll Global*,

acquired FIJI Water from Gilmour for a reported \$50,000,000. The Resnicks' holding company is global and owns multiple brands including Teleflora, POM Wonderful, as well as several well-known California wineries. According to Statista.com, FIJI Water sales exceed \$424 million. Although FIJI Water's annual sales are substantial, competition is fierce with the five other leading brands dwarfing FIJI with combined annual sales exceeding \$5 billion.



Bottled Water: The Category

Category sales have been growing exponentially since plastic bottles became popular on retail shelves in the eighties. Today, despite environmental concerns about plastic pollution, bottled water has grown into a global commercial beverage category, not only for consumer convenience, but it is also driven by health issues related to quality of potable water throughout the world. Bottled

water is now growing at 12% to 15% annually – about twice as fast as all other beverages.

Last year, bottled water consumption at the global level reached 354 billion liters. The United States is the leading country in total gallons of bottled water consumption, but Italians drink more per person than any other country.

The fastest growth in bottled water is coming from developing countries with consumption tripling in India and more than doubling in China over the past five years. Mexico had the highest per capita consumption with 67.2 gallons last year, with the USA reporting 39.3 gallons per capita (Statista).

Since its emergence as the second largest and most popular beverage category in the United States, bottled water has become an industry of unimaginable innovation, fierce competition, high profit margins, and wide-spread marketing promotions. Bottled water also continues to feed increasing high consumer demand, offering diverse varieties of bottled water products. Combine this with bottled water accessibility, and sales approach total revenues of \$16 billion last year in the US alone.

According to Chicago-based research firm Mintel, two in five consumers (43 percent) say that the ideal bottled water would have no artificial sweeteners, no



artificial flavors and no artificial colors (40 percent). One-quarter of consumer's report that their ideal bottled water would be GMO-free or organic (24 percent). The trend of increasing demand for organic food and drink options continues as Mintel research indicates 37 percent of consumers feel better about themselves when they buy organic foods and

beverages. FIJI, being a naturally sourced beverage, is one of the few that would meet all the criteria of the most demanding consumer—great positioning for the future.

Competitive Environment: Bottled Water Sales Top Soda Sales

Something big happened back in 2017 and few people noticed. Americans now drink more bottled water than all soda brands combined. Bottled-water consumption in the U.S. hit 39.3 gallons per capita, according to recent data, while carbonated soft drinks fell to 38.5 gallons, marking the first time that soda was knocked off the top spot (Beverage Marketing Corp). But soda is still more expensive, racking up \$39.5 billion in sales versus \$21.3 billion for water (EuroMonitor).

Bottled Water: Geography

In addition to consumer desires, weather, and availability, taste and quality of local tap water also affect consumption.

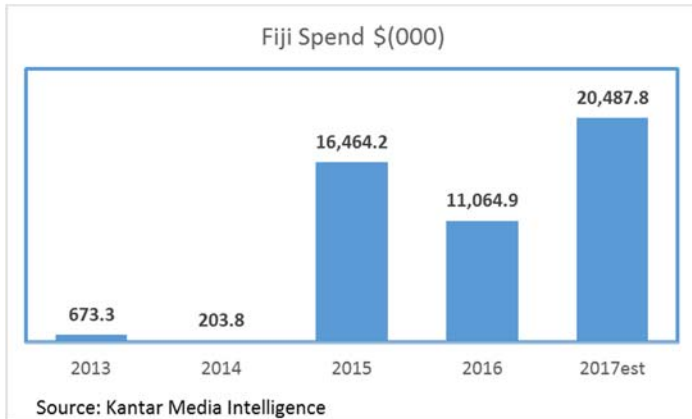
The client has collected and provided data (See the BDI/CDI file on the website) regarding market level usage and volume of the bottled water for brand and category. In addition to their current national efforts, you are being asked to evaluate whether some additional marketing budget is warranted in local markets.

Marketing/Media Planning Challenge

Following on the corporate decision to spend aggressively to obtain greater market share and awareness, FIJI's marketing director has ambitious plans for next year, and is aware of the extraordinary challenges and opportunities in a market crowded with better known rivals. FIJI executives are aware that such a move will require several years of aggressive spend and stellar communication with consumers.

In crafting a marketing mix, the marketing director knows that the FIJI brand must perfect their niche marketing and positioning strategy to compete with the likes of Evian, Nestlé brands, Aquafina, Volvic, Coca Cola's Dasani, Smartwater, Perrier, Poland Springs, private brands like Kirkland, and dozens of "me-too" entries.

At the moment, distribution, brand awareness and share of mind is dominated by



a handful of deep-pocket marketers like Coca-Cola. But, current social trends may favor FIJI Water. Mega brands are vulnerable to claims of organic purity, taste, and natural earth-sourced quality advantages enjoyed by competitors like FIJI.

Given enough time, and by applying intelligent, strategic media planning, “Fijians” are confident that their claim of “earth’s finest water” is an honest promise, a promise that, year over year, will consistently erode market share from the giants.

Rather than the classic four Ps, FIJI’s view of the marketing problem fits better with Robert Lauterborn’s four Cs model, a much more consumer-oriented version of the four Ps that recognizes how less known brands must focus on niche marketing versus the older model of mass marketing.

“C”	Corresponding “P”	Description
Consumer wants and needs	Product	Consumer wants and needs A company will only sell what the consumer specifically wants to buy. So, marketers should study consumer wants and needs in order to attract them one by one with something he/she wants to purchase.
Cost	Price	Price is only a part of the total cost to satisfy a want or a need. The total cost will consider for example the cost of time in acquiring a good or a service, a cost of conscience by consuming that or even a cost of guilt "for not treating yourself or the kids". It reflects the total cost of ownership. Many factors affect Cost, including but not limited to the customer's cost to change or implement the new product or service and the customer's cost for not selecting a competitor's product or service.
Communication	Promotion	While promotion is "manipulative" and from the seller, communication is "cooperative" and from the buyer with the aim to create a dialogue with the potential customers based on their needs and lifestyles. It represents a broader focus. Communications can include social media, advertising, public

		relations, personal selling, and viral marketing, and all genres of sales promotion.
Convenience	Place	<p>In the era of Internet, cell phones, catalogs, and credit cards, people no longer need to go anyplace to satisfy a want or a need and are not limited to a few places to satisfy them. Marketers should learn how the target market prefers to buy, <i>and more importantly, how to be there when they are ready to buy, and make the brand ubiquitous</i> to guarantee convenience in buying. With the rise of Internet and hybrid models of purchasing, Place is becoming less relevant. <i>Convenience takes into account the ease of buying the product, finding the product, finding information about the product, and several other factors.</i></p> <p>(Source: Wikipedia, "Marketing Mix", Italics added)</p>

As with any marketing model, the key to success is discovering the proper balance for all components in the mix. FIJI’s marketing team is confident that their artesian, untouched by man, Pacific island sourced water is a clear winner on the Consumer Wants and Needs part of the equation. Lauterborne would attribute much of this volcanic-rock-filtered, earth sourced water’s success to one primary objective: fulfilling a consumer want/need with an obsessive focus on premium taste and natural quality. The result is a perception of purity and organic sourced quality, uniquely packaged, and better tasting water than most of their competitors. If any brand is capable of romancing earth’s finest water, FIJI has a genuine, honest story to tell. As one aficionado wrote, “Drinking FIJI Water is a sensual experience.”

Being National

Other components in the marketing mix are equally important to this brand’s future. The FIJI marketing team has achieved an initial foothold in multiple channels by developing good distribution channels. The challenge is slowly shifting from distribution to brand awareness.

The goal is to make the FIJI brand name ubiquitous in all 50 states. Thus far FIJI sales have been helped by limited advertising expenditures. Most of the brand's sales have been achieved through a sustained push strategy. They have successfully pushed FIJI Water into households by achieving distribution in several mass retail outlets like Safeway, Walmart, Trader Joes, C-stores, and now with case sales on Amazon. FIJI's marketing team also wants to increase communication through social media, and persuading more local and regional retailers to give their product valuable shelf space.



FIJI's marketing team now faces their biggest challenge since launching the brand in US markets. They will focus on four key strategies:

- 1) Achieving national distribution in 80% of US food, local and regional sports venues, and convenience store outlets
- 2) Growing brand awareness from 8% to 35% during the next calendar year.
- 3) Capitalizing on what FIJI calls the "FIJI taste me" test, a brand preference was discovered in all metro markets where FIJI water was sampled in super markets, popular sporting events, and little corner FIJI Umbrella Stands offering water samples to passers-by. A proprietary 30-day test market was



conducted last year in three major metros. Gathering places included Boston's Seaport Neighborhood, the Chicago Loop, and Mission Beach area umbrella stands in San Diego. Modest spending in each of these three markets generated on average 20% higher brand name recall (awareness) and 5% increase in sales. The message capitalized on the "FIJI Try me" concept, and was considered an effective strategy in all three test markets.

- 4) According to the Nielsen research firm, there are over 35,000 supermarkets in the USA, and 149,000 convenience stores. To date, FIJI Water penetration into these stores is below 10%. Management is planning on increasing national distribution 15% annually, and plans to attain 45% within 3 years. They've proposed a plan to inject \$27 million into the company ad budget to accomplish this goal in the coming year. This amount is earmarked exclusively for communication and marketing expenses.

Pitching the Business

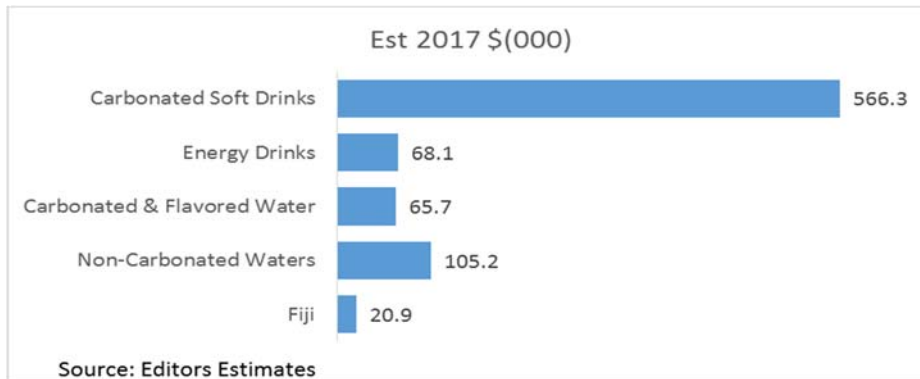
Your advertising agency has been retained by FIJI to write a marketing/media plan that will serve as a proposal for FIJI's marketing team. Your \$27 million media plan will be the primary factor in determining whether or not FIJI continues with capital injection. Your job is to generate national and regional awareness by creating dialogue with the potential customers based on their needs and lifestyles.

Your focus must be much broader than just "advertising." Communications can include radio, TV, print media, social media, mobile media, business to business, public relations, sales promotion, and viral marketing. You will discover that \$27 million is not a lot of money when buying national media and or spot market advertising, especially when considering the broader competition of soft drinks and energy drinks. Your inspiration should be the legendary Bill Bernbach who was fond of saying, "Rules are what the artist breaks; the memorable never emerged from a formula." Bernbach's maxim applies to all individuals who fancy themselves marketers. Media is creative if you have the genius to break through the ordinary thinking of your peers and competitors.

Magnitude of the Challenge

FIJI's team recognizes that even with the infusion of \$27 million, the task ahead is huge. FIJI is a minnow in an ocean of deep-pocket consumer product giants—FIJI's current marketing spend barely even registers compared to the massive spend of

the mega brands. Your \$27 million will need to be spent intelligently to compete against last year's \$800MM+ spent by mega legacy brands.



Branding Challenges

Often called “mind share,” FIJI needs to own a space in the mind of the target audience. Their marketing team is looking for a campaign theme that can build upon for the foreseeable future. This theme/position should be an ‘anthem’ which can be refreshed periodically with fresh creative that keeps the idea alive and growing in the mind of the consumer as communication continues.

1) A primary goal for your agency is to increase brand awareness, currently estimated at 5% nationally. By end of the first year, brand recognition goal is to grow by 10 percentage points to 15% aided awareness. FIJI marketing execs agree



with Lauterborn that promotion is "manipulative" and from the seller. Successful communication must be "cooperative" instead of manipulative and from the buyer's perspective, with the aim of creating a dialogue with customers based on their needs, lifestyles, and honest perceptions of the brand.

2) FIJI's brand personality is inspired by location, location, location. Imagine getting to work on a brand that is blessed with honest images of tropical forests, volcanic rock water falls, native Polynesians, and the undeniable purity of one of earth's virginal water sources isolated in the middle of the Pacific. Some have called the brand's tag line "genius," and the school girl's voice-over has been noted as the essence of pure, innocent H2O.

"Untouched by man . . . Earth's Finest Water" is still not **top of mind among 95%** of bottled water consumers. As media planner, your most important goal will be to create new media concepts and promotion ideas that will generate a personal dialogue between the FIJI brand and the target audience waiting to be captured by its promise.

3) Along with an imaginative media mix, FIJI marketing team wants to see some examples of your strategy. If you employ traditional media, provide an example of the concept/message to demonstrate how it will position the unique quality of the FIJI brand. If you use social media concepts, whether on facebook, Instagram, a viral message or a twitter concept, illustrate your idea with an example or two.

The Assignment

Part 1: Deploy \$27 million (total budget) to increase sales and brand awareness

Part 2: Up to 10 markets are being considered for additional spending based on the results of the "FIJI taste me" tests. If you make this recommendation, use the BDI/CDI data (in case spreadsheet online) to choose the markets you believe deserve extra attention. Also allocate the budget between national and spot as you see fit. Be sure to justify your decisions.

Campaign Parameters

Write a media plan applying the principles outlined in MFP chapters 1-7. Review all chapters carefully.

1. Target audience & media mix: A well justified target audience is vital to the success of this brand, and your assigned task is to accurately define the segment of the market that will buy the FIJI brand. Study your brand and



competitive brands carefully and critically. Write a profile for the target audience using all relevant online sources provided for you, including the MRI data for this case.

- Justify both the target profile and your media mix decisions using quantitative and qualitative data from the case and from other resources you may be able to find.
- Cite all sources you use to define the target.

2. Timing/Scheduling: Plan a 12-month campaign beginning January of next year. Each of the 12 months may or may not include advertising or promotions depending on your timing strategy. You decide which month to launch your plan, and which months to accelerate spending. The timing/scheduling strategy is highly strategic.

- Justify peak spending periods with strong support, and cite your sources.
- How does the Kantar competitive data affect your brand, FIJI Water?

3. Media Mix: You need to justify the media mix for FIJI. Analyze the information in the case combined with all available online data to convince your client that your media mix has strategic genius. Your media plan should include traditional media as well as any new media, social media, or sales promotional spending. Media mix should include a list of vehicles, e.g. – radio formats, social media concepts, mobile media concepts, magazine titles, TV programs, promotional events, etc.

4. Scope/Geography: How can FIJI maximize its advertising voice in national and/or spot markets? Should FIJI be advertised nationally, in spot markets, or a combination of both? Geographic strategy is vital for FIJI Water. Make a very clear commitment to one of the three scopes in the MFP online simulation: National, Spot, or both. Justify your decision by citing relevant

data from all available sources. If you decide to include a spot strategy, be sure to justify your choice with data.

5. SWOT (Strengths, Weaknesses, Opportunities, and Threats) or Situation Analysis: competitive data, spreadsheet market data, etc., are all available online [www.mediaflightplan.com]. The quality of your analysis, and the effort you invest is the key to unlocking some of the most important issues in this case study. As you prepare your SWOT, follow the seven points outlined in Chapter 4. FIJI's marketing director suggests special attention be given to the following in your analysis:

- Recommend a marketing mix for FIJI; use Robert Lauterborn's "C's" to guide your analysis. Keep in mind FIJI's primary competitors.
- Competitive Spending Analysis with SOV (Share of Voice). Review MFP Exercise 10 if you need help with the SOV. Tip: Discover which category might your brand be most directly competing in? When can FIJI own a medium or break through the background clutter? etc. Integrate your analysis and decisions into your media mix strategy.

6. Creative strategy: Write a creative brief for an integrated campaign that positions FIJI, and write a tag line for the upcoming campaign. In most major ad agencies, media planners are part of the creative team. Both authors of this text have witnessed big campaign concepts that came from the minds of media planners. Why a creative brief? It's all about intelligent positioning. When integrated thoughtfully, creative becomes a major driving force for your media strategies.



7. Media Flight Plan Simulation: Execute a media buy using Media Flight Plan. Include a flowchart in the body of your work, and other printouts as

required by your professor. Make sure all decisions stated on these printouts are supported with logical and intelligent objectives/strategies. CAUTION: Be sure the buys on your flowchart are consistent with your media objectives/strategies! Your marketing/media plan will be judged less on the buys you make than on the objectives/strategies that drive the buys.

8. Strategy is everything – write media objectives/strategies addressing the following:

- A clear definition of FIJI’s target audience with an intelligent media mix strategy.
- Monthly reach/frequency goals and accompanying strategies.
- Monthly media allocations and budgeting strategy demand logical marketing support.
- Timing/scheduling decisions are vital to FIJI’s marketing success - justify your timing.

MFP Tip: You may wish to show social media detail on your flowchart. See the **“Tips, How-To’s and Tricks”** section of the tutorial (starts on page 14) for instructions on how to do this.

Our thanks to GfK MRI and Kantar Media Intelligence for allowing the use of their data with this case.



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Southeastern Bottled Water Association (SEBWA) – <http://www.sebwa.org/>