

# **CONTRACT CASE** ROUND 1

## **HAPPENING MARKETING 2021**

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**PRESENTED BY**

**ooya**

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# INTRODUCTION

OOYA Infusions Inc. was born in 2020 from the desire of two young entrepreneurs who wanted to bring to market a new option of natural and organic energy drinks with a refreshing, light and natural taste. These serial entrepreneurs, Charline Patry and Mathilde Léger, offer a stimulating infusion to a niche market. Being a drink with a unique taste, a high-end recipe, made from a leaf from Ecuador, named the guayusa.

## THE COMPANY

The company OOYA Infusions Inc. stands out in this niche market with its flagship product, OOYA Infusions - Original, thanks to its taste, its caffeine content, its look, but above all by its raw material, since it is about the first canadian energy drink made from this infused leaf.

In a performance world where the attraction for natural and organic products is growing, OOYA Infusions Inc. offers a drink with stimulating effects, low in sugar and with beneficial properties for digestion, memory and concentration. The flavors on offer combine the effects of natural drinks, the "superpowers" of guayusa and the energy contribution of energy drinks.

OOYA Infusions Inc. would like to introduce consumers to the superfood profile of this tasty, but unknown ingredient. In addition, it wants to put forward the distinctive attributes of their product and their brand, namely, its natural high caffeine content, the refreshing taste, the distinct and creative look and the other benefits provided by the guayusa including one feeling of energy, mental clarity and a focus that precludes nervousness.

OOYA Infusions is a company initiated by dynamic entrepreneurs and wanting to develop quality products, which are natural, healthy and stimulating, meeting the needs of people strongly involved professionally and wishing to surpass themselves to achieve their full potential. OOYA Infusions Inc. wants to give a healthy alternative with a positive image to those who do not consume coffee or who do not like the energy drinks that are currently available on the market.

OOYA Infusions are organic and certified fair-trade drinks that contain 90 mg of caffeine. At the launch, two (2) flavors were offered. The first, OOYA Infusions - Original, is the original flavor. It is a delicate infusion offering a fresh and authentic taste, made with natural aromas from organic sources, the scent evokes citrus and the unique taste of guayusa. The second fragrance, OOYA Infusions - Raspberry and Watermelon, is also a stimulating infusion, this time with a summer flavor of raspberry and watermelon (visuals in Appendix 3).

Both flavors will be on sale in stores in greater Montreal<sup>1</sup> starting July 2021. Points of sale will include grocery stores, convenience stores, restaurants, cafes and kiosks during events. The greater Montreal area is made up of 82 municipalities with 4.2 million inhabitants. With a GDP of \$ 181.6 billion in 2018, the metropolis is experiencing the strongest economic growth among Canada's large urban centers (= 3.6% in 2018).

The head office and warehouse are located in an industrial district of Brossard, on Matte Boulevard, near highways 10 and 30 and a few kilometers from the great metropolis of Montreal. This strategic location offers unparalleled logistical capacity which enables it to quickly serve more than 60% of the target clientele.

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<sup>1</sup> <https://www.montrealinternational.com/fr/investir/zones-geographiques/>

## MISSION

Renew the experience of consuming an energy drink by offering a natural stimulating infusion. With OOYA, people overflowing with projects, fully invested in their private and professional spheres will have the energy necessary to propel their ambitions to new heights, thanks to its stimulating infusion that unites the benefits of natural drinks, the superpowers of the leaf. and the energy intake provided by traditional energy drinks.

## VISION

Become the benchmark for natural, local and refreshing stimulating infusion on the Quebec and Canadian markets.

## VALEURS

**Audacity** - The desire to stand out at all stages of the product's life: from development, through design, production, marketing and after-sales service. A constant desire to do things differently.

**Ambition** - Feed on the will to go further and do better. Always believe in bigger ideas and take the means and surround yourself with the right resources to achieve them.

**Commitment** - Honor our commitments with our partners, customers and employees. To be faithful to our origins and stimulate partnerships with related fields to create local synergies - Commitment to our consumers in order to offer them products that respect nature and health and meet their needs.

## TARGET MARKET

OOYA was created for sideliners, by sideliners we mean:

“Sideliners Def. n.m. [sahyd] [lahy] [nuh] Person who, in addition to their busy schedule, adds a project to their schedule in order to make their passions flourish.”<sup>2</sup>

Energy drinks are aimed at young people and young adults, mainly between 18 and 34 years old. In fact, 73.6% of Canadians aged 12 to 24 consume energy drinks. According to Statistics Canada, there are more than 7 million young people aged 15 to 29, which represents more than 5.1 million potential clients in Canada, including approximately 1.20 million in Quebec. In addition, this target consumer stands out for its increased connection to all Internet-related services. The vast majority of 15 to 30 year olds use the Internet every day and own a smartphone. Half of 25 to 30 year olds transact online at least once a week - nearly twice as many as older Canadians, and finally, 93% of 15 to 30 year olds use social media sites. By combining these revealing statistics with the current trend in e-commerce for food businesses, Ooya Infusions Inc. has a great opportunity to reach and sell its products through a multi-channel strategy to its consumers.

### Customer characteristics : sideliners

- Man / Woman
- Young adult (between 20 and 35 years old)
- Holds a salaried job (\$ 40,000 to \$ 60,000), but aspires to forge his own entrepreneurial path
- Lover of experiences and discoveries
- Concerned about their social circle and their image
- Brand ambassador
- Emphasizes local consumption, product quality and branding

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<sup>2</sup> Taken from the founders' business plan

- They keep themselves informed, either through the opinions of their relatives or on the Internet, before purchasing the product or service
- They refuse habits, normality and prefer to venture into new projects.

To summarize the intentions vis-à-vis the target: **OOYA offers a tool that allows sideliners to propel their greatest ambitions.**

## CONTEXT

The functional drinks market consists of the retail sale of sports drinks and energy drinks. Sports drinks are defined as drinks with performance enhancing properties, described as "isotonic", "hypertonic" or "hypotonic". Energy drinks are defined as drinks with energy properties, mainly carbonated and containing stimulants such as caffeine, taurine, guarana, glucuronolactone, yerba mate, as well as glucose syrup (corn syrup) and maltodextrin<sup>3</sup>.

The Canadian functional drink market experienced moderate growth over the base period (2014-2018). The market growth is expected to slow down during the forecast period (2018-2023).

Due to the increased health risks, consumers are changing their habits and developing new preferences from unhealthy drinks to certified organic drinks with nutrition labeling. Thus, the growing health awareness of Canadian consumers has created a demand for healthier beverages such as energy drinks and fresh juices. In addition, manufacturers are launching premium products with innovative packaging to attract a large customer base. Favorable economic

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<sup>3</sup> The contract is valued on the basis of Retail Sales Price (PVD) and includes Applicable Taxes. All currency conversions used in creating this report have been calculated using constant average annual exchange rates for 2018.

conditions and increasing purchasing power of consumers are believed to be the drivers of market growth.

The Canadian functional beverages market recorded total revenues of \$ 1,158.2 million in 2018, representing a compound annual growth rate (CAGR) of 3.9% between 2014 and 2018<sup>4</sup>.

## **DIRECT AND INDIRECT COMPETITION**

In Quebec, OOYA Infusions Inc. has few direct competitors. The company Guru offers a natural energy drink made from green tea and guarana. A few smaller competitors offer products with similar attributes to OOYA Infusions Inc. products such as Mate Libre, Toro Matcha, Theaboire and Matéina. These companies are new to the market and offer natural products made with Yerba Mate or matcha. It is important to note that OOYA Infusions Inc. currently has no Canadian competitor offering an energy drink made from guayusa leaves, mainly grown in Ecuador. At the international level, a few companies exploit this raw material: Runa, Yusa. Mati. These companies are emerging in the United States as well as in the United Kingdom.

At the level of indirect competitors, it is possible to distinguish four product categories: energy drinks, coffee and tea-based products, natural drinks and sports drinks.

When it comes to energy drinks, the companies Red Bull, Monster, Rockstar and Guru are the dominant players. These companies have very great notoriety, good distribution networks, an increased presence in the various events as well as extremely competitive prices. However, these companies, with the exception of

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<sup>4</sup> MarketLine (2019, December). Industry profile: Functional Drinks in Canada. Recuperated from MarketLine.

Guru which is considered natural, are heavily criticized for their unhealthy nutritional components for consumers. In addition, their outlets are mainly big box markets and convenience stores.

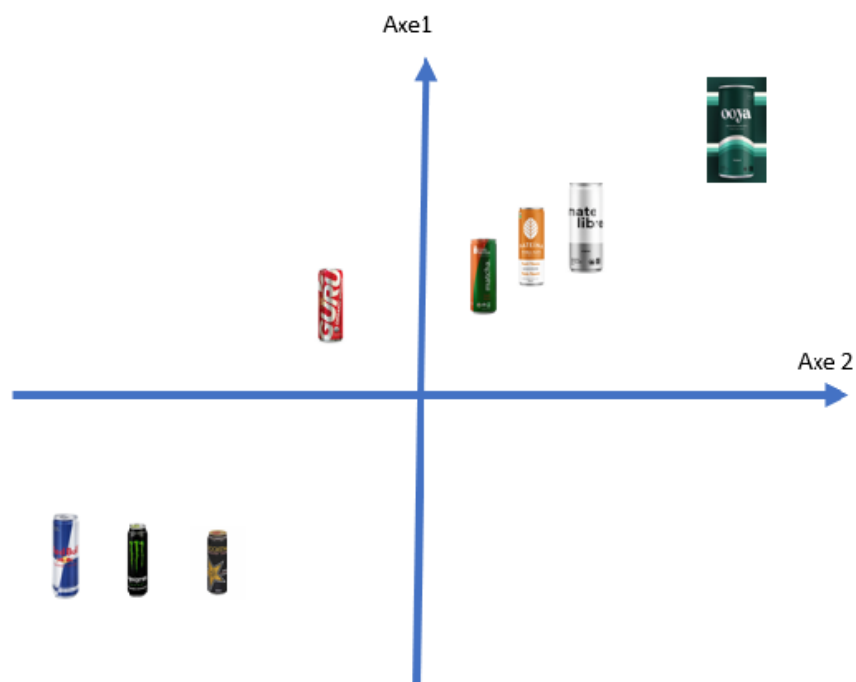
In terms of coffee and tea-based products, they occupy an important place in consumption habits. Moreover, several variations of products such as cold ready-to-drink coffee and iced teas are appearing on the market. Major brands such as Starbucks, Nestlé, Mc Donald and Tim Hortons are well established in this market segment.

However, OOYA Infusions Inc. is targeting the energy and natural drink market, the company wants to create a completely different consumption experience than that offered by these companies.

In terms of natural drinks, it is possible to identify several types of products such as kombuchas, kefirs, aloe-based drinks and all other drinks qualified as "health".

These products are reaching health-conscious consumers who are willing to pay more for a better product. In Quebec, the company's Loop, Club Kombucha and Rise Kombucha are the most important players in this category.

## PERCEPTUAL MAP



### Captions:

- Axis 1: Artificial drinks (taste, ingredients and flavors) to natural drinks (taste, ingredients and flavors)
- Axis 2: Drinks with repercussions for the body (down, fatigue, decreased in motivation) to drinks with little repercussions

## YOUR MANDATE

Develop an integrated 360 degree campaign for the greater Montreal metropolitan area in order to position Ooya Stimulating Infusions as THE natural stimulating drink that democratizes the consumption of this type of drink.

# ROUND 1 – CALL FOR TENDERS

## **KEYWORD: STRATEGY**

With this information in mind, OOYA Infusions Inc. is now looking for a marketing agency to work with on a marketing campaign. You must present your agency, your brand image and your notoriety.

The organization wants to hire an agency that will understand its reality and that will be able, first of all, to do a strategic analysis. More specifically, they want a demonstration of the understanding of the current positioning of OOYA Infusions Inc. versus the competition. In addition, the leaders would like to hear some preliminary solutions on the insights that will represent and differentiate its energizing natural products and its philosophy while joining the sideliners.

You should also come up with a slogan that represents the philosophy, values and dynamism of OOYA Infusions Inc. products.

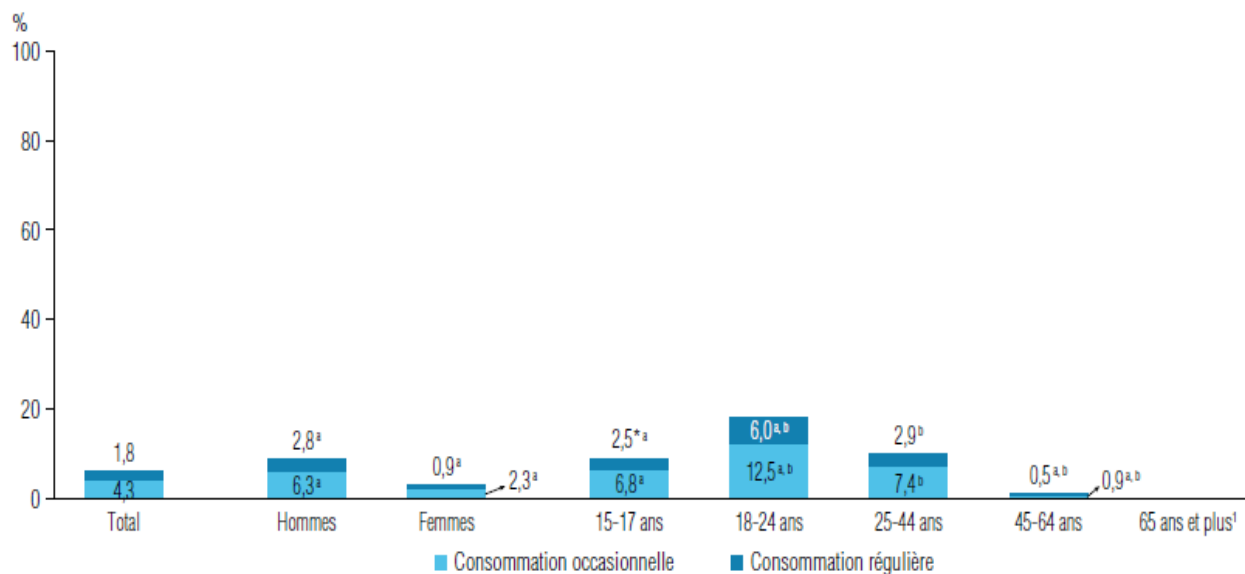
In order to meet this mandate, you must also prepare your BRIEF which includes your preliminary strategic analysis of the main issues. You must present the marketing strategy that will support your ideas for the campaign that you will propose to OOYA Infusions Inc.

If your ideas are unanimous, you can then move on to the next step, THE MAKING OF, which will allow you to create the tangible elements of the campaign from a tactical and creative standpoint.

# APPENDIX 1: PORTRAIT OF ENERGY DRINK CONSUMPTION

Figure 4

**Consommation de boissons énergisantes selon le sexe et l'âge, population de 15 ans et plus, Québec, 2014-2015**



\* Coefficient de variation entre 15% et 25%; interpréter avec prudence.

\*\* Coefficient de variation entre 25% et 33%; estimation imprécise, fournie à titre indicatif seulement.

a, b: Pour une catégorie de consommation donnée, le même exposant exprime une différence significative entre les sexes et les groupes d'âge au seuil 0,01.

1. Données infimes pour ce groupe d'âge.

Source: Institut de la statistique du Québec, *Enquête québécoise sur la santé de la population, 2014-2015*.

## APPENDIX 2: DISTRIBUTION

The main distribution channels for the Canadian functional beverage market are hypermarkets and supermarkets, which accounted for 61.4% of the total market value in 2018<sup>5</sup>.

The degree of retail concentration varies considerably from country to country. A high concentration of retail in general implies greater purchasing power, as large chains have a strong negotiating position. The Canadian food and beverage retail market is concentrated, with major players such as Loblaws enjoying significant market shares and therefore bargaining power, which strengthens the powers of buyers.

Brands are very important to consumers in this market which weakens buying power as it is important for retailers to stock popular brands. There are also several ways for market players to differentiate their products.

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<sup>5</sup> MarketLine (2019, December). *Industry profile: Functional Drinks in Canada*. Recuperated from MarketLine.

# APPENDIX 3: VISUAL OF OOOYA INFUSIONS INC. PRODUCTS

