



TREKERS

MARKETING PLAN



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THE PROBLEM AND PITCH

Problem Statement



TREKERS

Millions of pet owners lack the proper resources to track and monitor their pets' location and health. According to American Humane Society and the ASPCA, 10 million pets go missing each year. Approximately 6.5 million companion animals enter U.S. animal shelters nationwide with only 15% of dogs and 2% of cats having ID tags. Pet owners are having to face the trauma of losing their best friend feeling hopeless without a solution. Not only do millions of pet owners risk having their animal run away, but they also face the possibility of losing their pets due to undetected diseases. It could take weeks for an owner to recognize the symptoms of a sick pet. Many beginning symptoms

are unrecognizable to pet owners, which can lead to small problems becoming severe diseases and illnesses, if they are not caught.

Pets are not only affected by unknown health issues, but by apparent ones as well. Owners do not realize the effect their animals' diet has on their health. They are unaware of the unhealthy, processed ingredients that are put in many pet food products. These additives cause stress on their animal's organs from having to process various chemicals, preservatives, dyes, and other non-supportive elements. Pet owners struggle finding companies that prioritize healthy ingredients in their treats that provide the necessary nutrients for their pets. Additionally, customers may feel frustrated by the fact that they are simply unaware of what treat product meets the standard of being labeled "healthy."

Customer Empathy

Trekers wanted to encapsulate the strategies individuals take, and the emotions that they feel, when dealing with a missing pet. The company created a simple social media survey that asked four simple questions: Have you lost a pet? What resources did you use to find your pet? How did you feel? Were your strategies successful? Of the 75% who had lost a pet, they turned to social media, hanging up flyers within their neighborhood, and calling local shelters to see if any one had found their pet. These tactics were barely successful, and left owners stressed and heartbroken about losing their furry family members. According to the American Pet Humane Society, 80% of lost pets are never found which is equivalent to over 10 million dogs and cats per year. These statistics not only demonstrated the failure to find pets in the US, but also aligned with the company's survey results. For the many that never found their loved one, and the few who were lucky, they all commented that the process was tiresome and traumatic. The company empathizes with those who have lost their pets and





wants to give owners back the control to ensure the safety for their pet. Trekers is here to help pet owners avoid the emotional rollercoaster of losing a pet.

The company used the emotional feedback provided to further develop its approach to pet safety. One respondent claimed that she “felt like searching for her dog was like finding a needle in a haystack.” Others indicated that they really had a lack of confidence in actually finding their pet. Customers needed a product that helped provide a sense of hope. It was this feedback that provided structure and guidance toward a solution.



Solution Statement

In order to come up with an innovative and effective solution, the company collaborated and brainstormed using the responses from those who have experienced pet loss. The company found that there were 3 main concerns voiced from those surveyed: how can I proactively monitor the safety of my pet; what productive resources do I have to locate my pet if lost; and finally, how do I cope with my own anxiety and grief when my pet’s safety has been compromised. The company realized the need to narrow down the best, and realistic, solutions. The company evaluated ideas ranging from personal pet sitters to real time voice calls if a pet left the radius of a home address. Eventually, tracking services seemed a feasible solution. Thus, Trekers was born.

Trekers conducted initial experimentation to finalize a product that met the concerns of those surveyed. Trekers asked participants to equip a tracker to their pets’ collar before going on a walk. Each participant was told not to share the route of their walk; instead, the company would call the participants every five minutes into the walk to pinpoint their location. At the conclusion of the walk, participants were shown their recorded path on the company’s prototype phone app. Feedback was generally positive, but many asked if anything else could be tracked with this technology. This gave the company ideas - what else could be done with a sensor in a collar? What other safety data could be provided by our monitor?

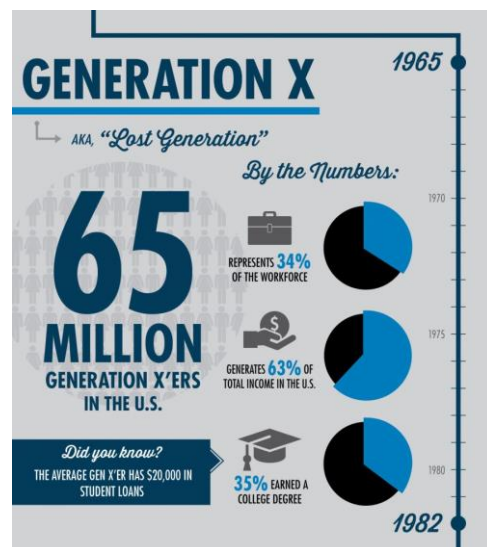
Trekers began to incorporate the feedback received from the initial experimentation. This then led to the research and development department finding sensors to include both a health and an activity tracker. These sensors include monitors for heart rate, blood oxygen levels, and mobility positioning. Likewise, the team included an app feature that actively notifies a user if the collar strays from a predesigned radius. This innovative addition helped provide a more all-encompassing approach to pet safety. Pet owners can now not only monitor location but also monitor common health issues. Trekers hopes to empower pet owners by providing a resource that helps bring control to a seemingly uncontrollable situation.





TARGET MARKET AND SEGMENTATION

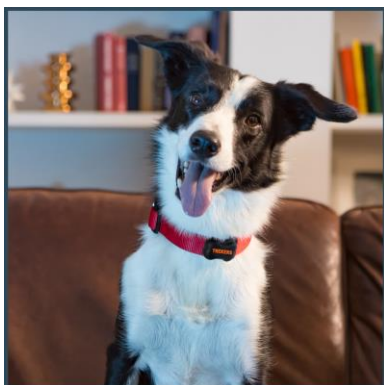
The majority of Virtual Enterprise firms' true target market consists of high school students (ages 15-18) due to the revenue generated at trade show events. These VEI students would generate an annual salary of \$20,000-\$40,000. However, Trekers decided to take a real-world approach at analyzing a true target segmentation. The pet industry does reveal market segment age and income variables. For example, Generation X, ages 37-52, spend the most on pet products, as they make up 26.8% of the market. Generation X will soon become "empty-nesters" and may seek a pet to fill a familial void. Geographically, the western portion of the United States does contain the majority of pet stores in the country, but pet purchase or adoption trends do not reveal a significant geographic advantage. However, Trekers prefers to focus on a psychographic classification: pet people. The company seeks those who see pet ownership as "lifestyle."



Secondary Market

Trekers aims to establish Business-to-Business relationships with pet stores throughout Kern County. Currently, Trekers does not have a brick and mortar storefront and is reliant on online sales. The company believes that there is an opportunity to develop sales agreements with vendors such as Petco and Petsmart in an effort to build brand product recognition. Trekers has already made one monthly sales agreement with local pet provider, Village Pet.

Psychographic & Benefits



Trekers understands that pets are not just animals, they are a part of the family. Many young adults begin the start of their family not with a child, but with a pet. According to American Pet Product Association, the pet care industry is growing and will be worth over \$99 billion by the end of 2020. With such a large market, this demonstrates that the 67% of pet owners in the United States prioritize their "fur babies" health and safety. Trekers not only provides the security for your pet, but also peace of mind. With health reports generated by the Trekers app, pet owners gain the ability to identify health issues before they may manifest. These reports can be shared with a veterinarian to help create an action plan that ensures long-term health.

Finally, many households implement high quality, and vitamin- rich, nutritional plans for their pets' diets. In fact, a survey conducted by Woodruff found that many pet owners actually took more time to address the pets' nutrition over their own. Trekers *Munchers* jerky line helps tap into this psychographic variable. These jerky treats are suggested based on specific health needs found by the collar's health tracker. Customers make a purchase knowing that each treat is not only a reward but a step toward a healthy, individualized meal plan.



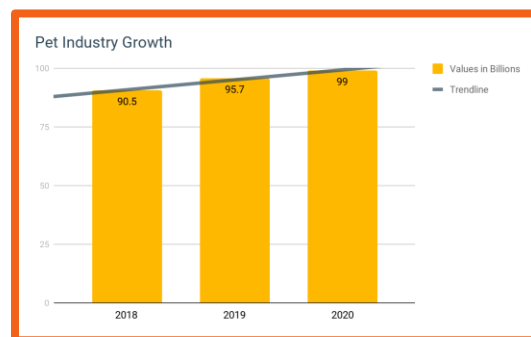


MARKET ANALYSIS

Real Industry Analysis

According to the APPA, (the American Pet Products Association), the industry generated 95 billion dollars in 2019 and will see an estimated 5% growth value by the end of 2020. Additionally, market research company Sloane Solutions found that pet households spend an average of \$350 a year on non-essential pet products(toys, treats, collars, etc) per year, and is estimated to grow 4% by 2022. Finally, the pet industry employs nearly one million people in the United States alone, generates just under three billion in wages, and these numbers only continue to rise as people begin to spend more on their pets.

There are currently over 13,000 pet stores in the United States. Petco, an industry leader with nearly 40% market share, earned over 3 billion dollars in 2018. Despite its strong presence in the industry, there has been a 2% increase in new storefronts opened since 2017. Trekers will not seek a brick-and-mortar location similar to other pet stores. Rather, Trekers hopes to capitalize on the expanding storefront trend by providing its product line among the diversity of pet stores.



Industry growth is driven by increasing customer demand. Pet owners are willing to try new and innovative products that will aid in keeping their pets healthy and safe, hence the upward trend of the overall industry. Research group Mintel states that 65% of U.S. households have a pet, and they have seen nearly a 2% increase per year in owners who state they would buy products that would “pamper” their pets. While Trekers does not classify itself as a “pamper” product, the company believes the majority of the product line falls into this niche. Mintel also found that pet owners are more willing to spend on products that promote health and wellness in their pets. The tracker provides the consumer with a sense of safety in both location and health data, while the *Muncher* jerky treats align with a growing demand for organic high-grade pet foods.

While the COVID-19 pandemic has placed an uncertainty on the American Economy, the surge of pet adoptions during quarantine could help minimize a potential industry growth slump.

Virtual Industry Competitive Analysis

According to VEI Market Insights, there are currently ten animal and pet companies within the virtual network (October 2020). These ten firms account for over \$280,000 of revenue. Trekers offers similar products to two VEI firms: *Pet Point* and *Dogmates*. *PET Point* offers location tracking collars while *Dogmates* provides organic dog treats.

While both of these companies did place in the VE Top 150, Treker differentiates itself by focusing on creating a product that caters to both location and health safety. Treker's main product is not only a GPS tracking collar, it also includes an innovative health tracker that notifies pet owners about any anomalies their loved ones may be experiencing. Treker units utilize Verizon cell towers for tracking, whereas *Pet Point* GPS units must utilize close-range direct phone connections for





functionality, limiting their range. Additionally, *Dogmates* organic treats must be purchased in monthly bundles that start at \$105. Trekers treats are specifically tailored to the needs of customers' pets with a price point starting at \$16.

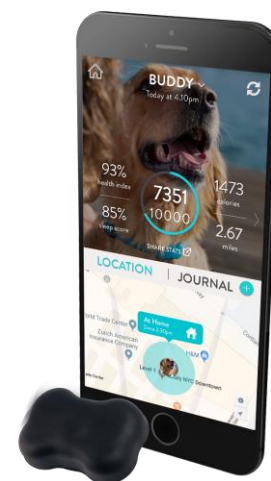


MARKETING PLAN

Product

Trekers innovative collar provides a two pronged approach at monitoring pet well-being: a location based GPS that provides real-time status of pet mobility and a multi-sensor tracker that provides overall health diagnostics. The tracker attaches to a pet collar, giving 24/7 access to location and health information anywhere in the United States via the Treker App. Likewise, a user can be notified if their pet leaves a certain location point, which provides a proactive approach to notify when a pet may begin to stray.

Treker's tracker is also rated as fully waterproof (30 meters) and has a battery life of twenty days on one full charge. The tracker implements a prepaid Verizon SIM card, a tri-axial accelerometer, a heart rate monitor, and a blood oxygen sensor that provides temperature, activity levels, posture, respiration, and heart rate variability.



After downloading the Trekers app, users are asked to fill out a pet profile that gives general information (age, weight, breed) that will help in collecting relevant data. The app synthesizes the data and creates baseline health profiles for your pet. When the app recognizes anomalies from the baseline it alerts the owner and sends an e-mailed snapshot that can be shared with a veterinarian. This allows you to make educated, and informed, decisions to ensure your dog stays as healthy as possible.

Trekers' smart app will also suggest certain supplemental treats based on these results. These treats, or *Munchers*, are used to help guide a nutritional plan. The canine line of health jerkies include:

- hip and joint support (main ingredient: turmeric),
- immunity defense (main ingredients: Vitamin A and Flaxseed oil),
- skin and coat (main ingredient: Biotin),
- energy (main ingredients: Coconut Oil, Dried Egg, Pumpkin).






Each *Muncher* is made from all-natural 100% pasture-raised lamb, which has numerous benefits such as: immune system support, anti-inflammatory, Vitamin B (blood formation and brain health), iron (blood flow), and omega-3 fatty acids. By giving your pet these treats, you ensure they are at the peak of their health. Each bite into a *Muncher* ensures your dog is paw-sitively healthy.

Price

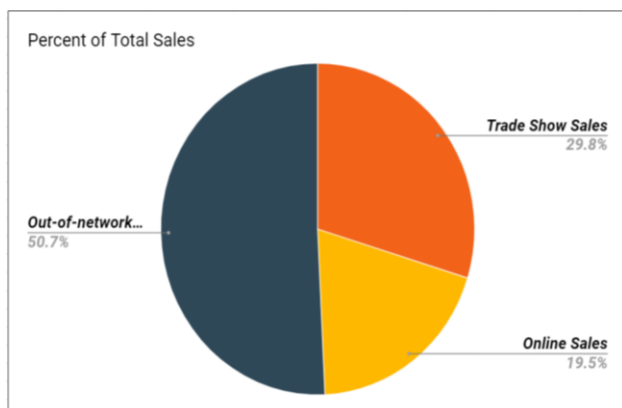
In order to determine the prices of *Treker Tracker*, Trekers examined prices from established competitors within the market. The company took into account the different elements competitors included in their collars, and established which features would be most beneficial to the company's tracking collar. Trekers found the most useful components to include were the 3-axis accelerometer, heart rate monitor, and blood oxygen sensor, along with a SIM card for tracking. These components, along with the materials' cost for the housing determined the cost-of-goods for the tracker.

A similar approach was taken when determining the cost of goods for the *Munchers* line. The company researched which supplements would give the desired health benefits, along with the lamb the supplements would be incorporated into. Based on these findings, Trekers researched wholesale vendors that supplied the essential nutrients and Lamb. From there the cost of goods for the *Munchers* was determined.

Trekers implements competition-based pricing strategy to match the prices of major competitors within our market, including Whistle for our *Treker Tracker*, and Dogswell for our *Munchers* line of products.

	
GPS AND HEALTH	
Tracker	\$120.00
App	\$5.00
Monthly SIM	\$5.00
● ● ● ● ●	
MUNCHERS	
Hip & Joint	\$18.00
Skin & Coat	\$30.00
Energy	\$16.00
Immunity & Defense	\$18.00
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Placement



Trekers generates sales from a number of sources including trade shows, out of network sales, and the company's website. During the period October through April, the company anticipates roughly 51% of revenue will come from Out-of-Network business contract sales with Village Pet, a pet store located in Bakersfield, CA. Additionally, the company anticipates that trade show sales will account for 30% of the revenue, while online sales will account for 19%. After trade shows conclude, Trekers will place an increased focus on boosting sales on the company's webstore. For example, the company will strategically create online sales to boost web traffic. During non-trade show months, Trekers will employ the use of pop-up shops and promotional deals, in order to promote the brand and account for the predicted revenue loss during this period.



Promotion

Trekers implements various unique marketing strategies that help the company create brand recognition within the pet industry. By utilizing a variety of marketing strategies, Trekers strives to gain one on one relationships with customers through social media, community involvement, promotions, and personal selling. Trekers looks at each aspect of DAPPS in order to take advantage of all marketing opportunities.

Due to COVID-19, Trekers has had to take a different approach to direct marketing by setting up virtual meet and greets with potential customers. This allows the company to reach a more significant number of consumers because they can join from anywhere in the world. Within the Virtual Marketplace, Trekers undertakes aggressive marketing strategies through business-to-business contracts which help expand our consumer base to other VE companies as well as promote virtual trade shows, where personal selling is prioritized.



The company's primary promotional strategy is an advertisement through social media. Social media, Instagram and Facebook, is free to advertise on; Trekers takes full advantage by using these platforms to reach a wider audience through showcasing Trekers collars and *Munchers* and interactive polls through stories. According to a Social Media Insider study, consumers are 20-40% more likely to purchase from businesses that engage with them on social media platforms. Trekers prides itself on having an active, personable social media presence that is inviting for consumers. The company also allows customers to directly access the website to buy products through a bio link. To reach a more mature audience, Trekers implements engaging radio and TV commercials to increase customer awareness of the product by reaching a generation not linked to social media.

Trekers is partnered with a wide range of charities. Although the company cannot physically be out in the community due to COVID 19, the company has found different ways to connect and become influential within Kern County. For example,



H.A.L.T., a regional animal rescue organization that saves around 20,000 cats and dogs that would regularly be euthanized, is considered one of Trekers' leading charities. Trekers is also affiliated with Frankie's Friends, a nonprofit organization that finds cures for pets with various illnesses, most notably cancer. Trekers donates a variety of different Munchers each month to both H.A.L.T. and Frankie's Friends. Overall, Trekers' involvement with charities and nonprofit operations contributes toward growing brand and philanthropic

recognition. These collaborations help spread the Treker name, create a robust backbone regarding customers' trust, and show integrity within the company.



Trekers includes a wide variety of different sales promotions to grow our consumer base. At trade shows, to increase sales, Trekers has created a Starter Pack Bundle that includes a Treker Tracker as well as the Energy and Immunity & Defense Munchers for a low price of just \$130! To get into the Halloween Spirit, the company had a “No Tricks, All Treats” Sale, in the month of October. This sale offered a buy one, get one free Muncher of the customer’s choice. Along with annual Holiday sales, Trekers has also incorporated a company newsletter and promotional emails where customers will be notified about possible flash sales or new products.

Positioning

Trekers positions itself as a company providing *all-encompassing* diagnostic tools that allow pet owners to be *proactive* when monitoring their pet’s health and safety. Unlike other pet safety products, Trekers’ multiple sensor collar allows users to monitor *both* location and health. Customers are reassured that they have the resource necessary to take ownership of their pet’s total well-being rather than waiting for an issue to arise. This sense of control allows Trekers to establish a brand identity that focuses on support and reliable protection.

