You can work in pairs for this assignment.

Your name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Your partner’s name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Your job is to come up with a digital marketing campaign for your own brand of direct to consumer products. You will be in charge of everything from designing the product to creating campaigns to engage your customers.

First, describe your product in a few words:

**The best travel mug ever created**

What is the name of your product? **Nomad coffee mug**

Now, think about your target audience. Who is this product for? Be specific.

**This is for the guy who is always on the go. His name is Stewart. He is eco-conscious. He wants to make a good impression. He works on Wall Street and commutes to work. He always has a hot drink on him.**

It is time to market your product. Create a digital marketing strategy. What is the summary of your strategy?

**Part 1 of the strategy is to create campaigns on social media to spread the word to the target audience. Part 2 is a direct email campaign to people who are interested in the product. Part 3 is a google ad campaign for people who search for travel mugs and related keywords. Promotional discounts will be used to attract new buyers.**

Your strategy will need specific campaigns. What are those campaigns going to look like? Be specific. Name at least three campaigns, specify the budget for the campaign, and the potential reach of the campaign. Also specify the duration of the campaign.

|  |  |  |  |
| --- | --- | --- | --- |
| Campaign Name | Daily Budget | Duration | Daily Reach |
| Instagram ad campaign | $10 | 30 days | ~500 people |
| Direct email campaign | $5 | Ongoing | Reaches people in our database |
| Google AdWords campaign | $17 ($500 monthly) | 3 months | ~3,000 people |

Advertising costs = $10\*30 = $300 + $5\*90 = $450 + $500\*3 = $1500 === $2250

It is time to create a Google AdWords campaign for your product. You will need to create the copy of the ad, select the appropriate keywords for the ad, designate the cost-per-click thresholds, and your monthly budget. What will your ad look like?

**The Best Travel Mug Ever Created**

nomadtravelmug.com

No spills. Keep your drink warm all day. Sleek design. Enjoy the stares. Buy yours today!

What are the keywords you are targeting?

**Coffee mug, travel mug, tea mug, thermos, contigo**

What is your monthly budget? **$200 (we reckon this will buy us 1000 impressions and up to 100 clicks)**

OK, let’s move on to some operational questions.

What is the retail price of your product? **$29.99**

How much does it cost you to produce? **$12.00**

How many units do you want to sell? **10,000 units**

What is your projected revenue? **(assuming 25% of products are sold at promotional discount of 10%) = 225,000 + 67,500 = $292,500**

What is your projected cost of goods sold? **120,000**

Assume that your actual revenue is 10% greater than your projected revenue. What impact do you think this will have on your cost of goods sold?

**This is not possible with this product because production is set to 10,000**

Assume salaries and wages expense of 25% of total revenue before discounts. Assume utilities expense of $1,500 and web hosting expense of $600. Salaries = **75,000**

Now write an income statement for the first quarter of 2019. Use the excel template provided.