

# FITBIT

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# 1. Propose a mission statement for Fitbit by thinking of company values. Which are the macroenvironment & microenvironmental forces that influence the starting of companies selling devices like Fitbit?

**Mission Statement**“In Fitbit we are worried about empowering the health and movement of society through the use of technology that can improve the probabilities of success when achieve the goals established”.

The **Macroenvironment** forces that influence this kind of companies are:

- **Economical:** As these products are not the cheapest and some purchasing power from the clients is needed.
- **Social:** As the company provides a product which needs to get introduced in the everyday life of the citizens.
- **Technological:** As it is a company based in technology.

In the other hand, the Microenvironment forces that influence the company are the **competitors** mainly, as these will determine the price of the product, characteristics as well as the specific target the company has.

## 2. Do a SWOT analysis for Fitbit.

### Strengths:

- Very powerful digital marketing campaigns
- Strong financial resources
- Many users
- Big amount of sales

### Weaknesses:

- Brand image focused in sports
- Product less sophisticated than other competitors
- Not a lot of confidence from the investors (50% drop in share price)

### Opportunities:

- Growth market not really exploited focused on fashion
- Increasing trend to practice sports with friends
- Lifestyle changes due to healthy awareness

### Threats:

- Established market leader, Apple
- Possibility of new entries in the market, New Balance & Under Armour

### 3. Suggest 3 variables to segment Fitbit's market. Using these variables, create two target segments for Fitbit. How would you position Fitbit in the minds of the selected potential customers?

We are going to segment with **attitudes**, **demographic characteristics** and **socio-economic charactersitics**.

Looking at these, we can either two types of segments:

- **Radical sporty people which want all the gadgets to accomplish their goals:** Which see Fitbit as the perfect tool, adapting to its body, interacting with its goals through applications, and feeling complete like the sportsman who use the gadget due to the sponsorship that the company gives them.
- **Working class people which look for a discrete and adapted to all situation watch:** For them, FitBit is the answer to achieving an affordable, adaptable to all situations, which provides better esteem than a normal watch. These people see the product as the affordable Apple Watch, which combines style with fitness.

#### 4. Which product attributes are the most appreciated by consumers? Which ones are the elements used to differentiate and identify Fitbit's products?

The most appreciated attributes of the new Alta fitness band are:

- **More fashion-led design** thanks to a customizable, colorful appearance (coral, black, gray, fuchsia & pink)
- **Size** is 40% thinner
- **Autonomy** has improved regarding Fitbit Charge 2 (up to 7 days)

The main elements used to differentiate and identify Fitbit's products are:

- Leader for fitness tracking wearables (pioneer role and initiative advantage)
- High quality products at lower prices
- Premium design and features
- Newest technological advancements
- Comfortability and accessibility

## 5. Which price strategy and coverage of the distribution channel do you want to use to launch Alta in the Spanish Market? And which are the main factors you need to consider when setting those policies?

At first we have to consider which are the Market Strategy of the Company and its target. In this case, clearly the strategy of the company is to become more than just a fitness wearable, they want to become a normal gadget of the everyday life, reaching as much consumers as they can, as James Park says. Then we will need, a **massive channel distribution** as well as an **affordable price** that could be achieved by the Spanish Market.

However, on top of that, the **competition** will need to be looked at. Wanting to enter such a different market where other companies like Apple have already situated its position, we propose a **competition based pricing** that could allow the company to be seen as affordable at the same time that as fashion as competitors. This could allow the company to grow fast in this growing market, where no competition should be considered looking how large the market is and how little the share it is being exploited.

At last, other **macro** and **micro** variables should be looked at in order to establish the limits of where the prices should be situated, promotions could be done and other marketing policies could take part-.

## 6. List all the different tools you can use to communicate to the market the introduction of the new product Alta and propose a communication campaign using the tools that are more adequate to the launch.

The market introduction of Alta is aiming for a vast number of consumers which see the product as **fashionable**, **sporty** and **affordable**. As the case specifies how big this market could be, we would need tools that have a huge impact:

- **Advertising:** A change on the image is needed, so advertising to prepare the customer for this change is needed as well.
- **Price based on competition:** So, consumers see the widget as affordable compared to other competition like Apple.
- **Distribution with intermediaries:** Key to reach as much people as possible and have a big impact on the market.
- **Promotions:** Unlike Apple that does not do promotions, these could be a key action in a marketing campaign performed by Fitbit, allowing it to differentiate even more and build a bigger customer base.

Thank you for your time

