

# New Market Business Plan

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FabFitFun subscription box  
Lebanon Valley College

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May 6th 2020

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**Introduction:**

The purpose of this document is to make recommendations to the company FabFitFun in marketing their product to a new market, senior citizens. The document will discuss slight changes to the product, the target audiences, and how the product will create a competitive advantage in the market. To reinforce the recommendations, the document includes a Porter's five forces model and SWOT analysis, as well as a persona and prototype.

## **What is FabFitFun?**

FabFitFun is a subscription box that is delivered four times a year for each season and is targeted to a young-adult female audience. The box includes products like makeup, clothing, skin care products, and other self care promoting products. Their boxes are brightly colored and themed for summer, fall, winter, and spring. These colors draw the attention of a younger audience and the products inside are for females.

## **What we propose:**

We propose to take FabFitFun and shift it towards a new market, the elderly. Like the younger generation, the elderly may not have a means of transportation without the help of their caretakers. FabFitFun Seniors assists caretakers by providing the elderly with necessities and saving the caretaker's time. To be successful in this new market, we have to have a new list of items to appeal to that generation and both genders. For example, we would provide vitamins, cosmetics like lotion, snacks, magazines, toiletries, etc. To acquire all of these items and be able to sell them at a cheaper price, we hope to have sponsorships with new companies that want to get their products out there.

## **Target Audiences:**

Defining the new target audiences of the product is essential to its success in the new market. The primary and secondary audiences are as follows:

- Primary: caretakers and children of the elderly
- Secondary: the elderly themselves

The caretakers and children were chosen as the primary audience simply because they are easier to market too with tools like social media and online applications/sign ups. The secondary audience, the elderly themselves who will benefit from the product, will also be targeted through tv and radio commercials, and sign up postcards that can be mailed and included in magazines such as senior living. The wide range in both primary and secondary audiences aids in expanding the product to achieve its full potential.

### **How it creates a competitive advantage:**

The recommendations outlined will create a competitive advantage within the new market for numerous reasons, which are as follows:

- There is currently no subscription box company that markets to said target audiences. FabFitFun will be the first mover, meaning it is the first to establish a strong customer base and loyalty. Also, since FabFitFun already has a customer base for their original boxes, they can use that customer base to add more to the new one. For example, if a customer of the original box has a grandparent.
- The decision to market to both the primary and secondary audiences broadens the market even more for a chance to increase profit margins.
- The threat of substitutes (As seen in the Porter's five forces model) is medium to low, because other subscription box companies have not yet entered the market. When or if they do enter it, FabFitFun Seniors will have already established itself as a leader.

## Persona:

- Middle age Mom, has a daughter at college who uses FabFitFun for snacks in her dorm
- Has an elderly mother that lives alone 30 minutes away but has caretakers come into her house
- Buys her mom things at the store but is sometimes delayed in getting them to her
- Her mother loves scented lotion, reading magazines, makeup, and gardening

## Porter's Five Forces:

Porter's Five Forces is an excellent model to show the level of competition that A company may face throughout the duration of its lifespan. The model helps show a business various variables that will help them thrive or make them struggle. These five variables are very defining to whether or not a business has the ability to be successful or not based on the level of competition throughout the business world. We chose to use this business model in order to show the specific advantages that FabFitFun Seniors would be at because of its choice in a specific niche market.

- Threat of new entrants - Medium -
  - Subscription boxes do not have a high barrier of entry. In fact, many of them purchase items in bulk, in return for discount prices in order to fill their boxes up cheaply. FabFitFun targets a niche group (elderly) that will help them stay on top of their market and have an advantage over standard subscription box companies.
- Bargaining Power of Suppliers - Medium -
  - Suppliers have the ability to provide their products at major discounts for companies buying in bulk. If a company was to

not provide a discount for a high demand product when purchased in bulk, this would become an issue for FabFitFun. Fortunately, FabFitFun could switch to another supplier in order to obtain other products to fill the subscription boxes..

- Threat of Substitutes - Low -
  - There are many different types of subscription boxes in the market today. Fortunately for FabFitFun, there are very few that provide products for the elderly. This would allow FabFitFun to target a niche market and have a strong advantage over competitors.
- Bargaining Power of Buyers - Medium -
  - Buyers can have the ability to influence the items inside of the subscription boxes. If an item was well received by FabFitFun users, we would be more likely to continue putting the items inside of the boxes. This would also work if an item was not well received.
- Intensity of Rivalry - Medium -
  - Currently, there are not many subscription boxes that specifically target elderly populations. But there is a cheap barrier of entry into this specific type of business. This may allow new competitors and rivalries to appear.

## **SWOT analysis:**

Demonstrated in the SWOT analysis, FabFitFun Seniors would have more strengths than weaknesses. We can overcome those weaknesses because there are many ways to advertise for our older target audience. Newsletters in the mail, commercials on TV, and advertisements in the newspaper are all ways that we can get FabFitFun Seniors out there. There are also a lot of opportunities with sponsorships, which help defeat our threats of switching costs because those brands could work with us and people could get more products for a cheaper price.

<b>Strengths:</b> <ul style="list-style-type: none"> <li>- Uniqueness - There is nothing out there like it</li> <li>- Price - sponsorships from companies would allow us to sell their items for a cheaper price</li> <li>- Two target audiences - beneficial to more people</li> </ul>	<b>Weaknesses:</b> <ul style="list-style-type: none"> <li>- Target audience is much older - more difficult to advertise</li> <li>- Most of the audience may not use social media</li> </ul>
<b>Opportunities:</b> <ul style="list-style-type: none"> <li>- The elderly and their caretakers take up a very large portion of our population</li> <li>- There are opportunities for many sponsorships and partnerships</li> </ul>	<b>Threats:</b> <ul style="list-style-type: none"> <li>- Switching costs - customers may already get their items from a certain brand and not want to switch</li> <li>- Competing brands</li> </ul>

## Prototype:



**Conclusion:**

FabFitFun would be very successful if moved into the senior citizen market. The modifications needed to the product are low and easy to achieve, and the potential in the untapped market is huge. The competitive advantage FabFitFun will have in the market will aid the brand in distinguishing themselves as a leading subscription box provider.