Facultat de Ciències Jurídiques i Econòmiques

UNIVERSITAT JAUME I

MARKETING PLAN OF l'Avellà

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EXECUTIVE SUMMARY

This work is part of the Tourism Excellence Plan for the Inter-Municipal Association of Catí, Culla, Benassal and Ares del Maestrat launched by the Valencian Tourism Agency and the Diputación de Castellón in 2017, the objective of which is to improve the competitiveness of these tourist destinations of the interior Castellon.

With the development of this Plan it is intended to enhance the value of the resources of these municipalities, trying to maximize their attractiveness, as well as guaranteeing more and better opportunities in each of these towns in the long term. This is an ambitious initiative that aims to generate a quality tourist product in the area that allows municipalities to make a qualitative leap in their activity, keeping tourism throughout the year, so that jobs are generated. In this way, it is pursued a sustainable commitment to consolidate the population of the interior of the region of Alto Maestrazgo.

More specifically, this project focuses on the town of Catí, and develops a Marketing Plan for the facilities of the L'Avellà mineral water bottling plant. It analyses the near environment in which its activity is located, as well as its main resources, with the goal of improving the current profitability. Furthermore, this project pretends to turn the plant into a potential element of tourist attraction that allows to know the natural resources and cultural aspects of this Historic Artistic Place.

The first part of the project describes the internal analysis of the company and its environment, covering both the factors of the macro – environment and other elements that influence more directly the activity of the bottling plant.

Among the elements of the PESTEL analysis we highlight the political and social factors as the most influential for the future of the company. On the one hand, the operation of the plant, being the property of the City of Catí, has much dependence on government subsidies that could boost business development and face more easily the expenses derived from ongoing activities. On the other hand, we emphasize the changes in lifestyle habits and the importance of water for health. Every year there is a positive evolution of bottled mineral water consumption by the Spanish population. However, a relatively high percentage of people prefer tap water rather than bottled water.

Due to the small size of the bottling plant and its almost zero market share, Porter's five forces can exert a high degree of pressure on the company's operation. Above all, the rivalry and concentration of the competitors in the territory of the Province and its consolidated position in the market. It is also necessary to take into account the degree of influence of the substitute products, since the mineral water is characterized by being a low differentiable product, reason why Agua l'Avellà has to choose to differentiate against the competitors.

Among the most important rivals we highlight Agua Benassal, Agua Bejis and Agua Cortes because of its territorial proximity and by its degree of influence in the Castellón market. However, we have the opportunity to position the Agua l'Avellà brand from a different point of view to that of competitors, which allows us to stand out the product to our target audience.

According to the results of the market study, we decided to direct the activity of the plant to two macro–segments of the target audience, final consumers and organizational clients, distinguishing 5 segments in total. On the other hand, each of these segments will have a differentiated approach in terms of marketing actions in relation to the four Ps, since they have characteristics that require specific treatment.

The main goal of the improvement of the Catí bottling plant operation is subdivided into a number of more specific economic and marketing goals that allow a greater degree of control during the period of the implementation of this Marketing Plan. These goals include the sales improvement goals, the brand awareness increase goals and the distribution network enrichment goals.

We have also made an action plan that consists of 21 marketing activities aimed at achieving the established goals and improving the competitive position. It is anticipated a period of one year starting from September of 2017 to carry out the proposed actions. In order to place ourselves within the scope of the financial viability of this project, a hypothetical budget of 263.613,30 € was established to carry out the actions, achieving 67.871,70 € of benefits.

I. SITUATION ANALYSIS

1. INTERNAL ANALYSIS

The internal analysis of the bottling plant will be carried out taking into account the aspect that the analyzed company forms an inherent part of a public body that is in charge of its complete management. All internal resources of the plant are owned by the Town Hall of Catí.

Besides, being a very small entity, the number of variables to be analyzed will be reduced. So, certain internal elements commonly included in the more complex analyses, such as those related to corporate social responsibility or R&D are either simply absent, or are assumed in a basic way and shared by the internal members of the institution.

1.1. Presentation of the company and its beginnings.

The spring of l'Avellà is located in the Valencian Community in the town of Catí (Castellón), Image 1. The water of l'Avellà began to be commercialized from its declaration as water of public utility by Decreto Ley of 25-04 -1928. The water trade of the l'Avellà Source is managed by the Town Hall of Catí and is packaged in the bottling plant of the municipality.

In its beginnings, the water began to be distributed in bottles by donkeys, and later, by the construction of the road in 1953, the water transport was made via trucks to its destinies (besides Castellón and Valencia, to Barcelona, Tarragona and Teruel) as can be seen in Image 2 taken from the archives of the Town Hall of Catí.

Image 1. The l'Avellà bottling plant location.

Source: Google Maps

The bottling plant was inaugurated in 1973. The water was originally packaged in recyclable glass containers, that involved additional effort and time to recover and prepare the containers for

Image 2. Distribution of water of l'Avellà via trucks.

Source: The town Hall's archieves.

their next reuse. At a later time, the production changed from the glass containers to the plastic ones, which allowed to speed up the bottling process by not requiring the previous process of cleaning and preparation. These new facilities allowed the bottling of water in 2-liter and 0.5-liter containers. Later, in 2004, a process of renovation of the facilities was carried out to be adapted to new sanitary requirements and to the necessities of the market at that time, adopting a new design of container of 1.5 liters that replaced the one of 2 liters. Lastly, in 2009 the last modification was made up to date, that consisted of the use of a new material in packaging, respectful to the environment (PET), which fulfills the new physicochemical and microbiological requirements imposed by the Sanitary regulations on packaged drinks and the new regulation on the recycling. The historical comparison of the containers design can be consulted later in Table 2 that is in section 1.3.6 "Marketing Resources: Product" (see page 16).

1.2 The Company essence: mission, vision, values.

After an interview with the mayor of Catí and the visit to the municipality and the bottling plant, we can conclude that the main reason for creating the plant was to provide quality drinking water to the inhabitants of the town and its surroundings. Although the essence and general objective of the water business are not formally formulated, we can suggest our version of the mission, vision and core values based on what we have analyzed and observed.

1.2.1 Mission.

We can summarize, that the main reason for being of the Catí's bottling plant is:

"To take care of the health of the Catí's inhabitants and of all the province of Castellón providing excellent water with mineral - medicinal qualities".

1.2.2 Vision.

We can formulate the vision, that is the most ambitious goal to be achieved by the company in the long-term future. The one has an inspiring and motivating character for the business. More specifically:

"To become the reference in the region in terms of the quality and qualities of the water as an inspiring, profitable and efficient business model, and to turn the water of l'Avellà into an identifiable element of the locality of Catí".

1.2.3 Values.

Basing on the main company characteristics and taking into account the natural and cultural environment in which it is found, these are the main values that guide the behavior patterns of the plant and the Town in its day-to-day management and which form the basis of corporate culture.

1. The inhabitants of Catí, being the reason for the creation of the business.
2. The cultural heritage: although Catí is a relatively small municipality, it proudly shows the cultural wealth inherited from the town's prosperity times.
3. The natural environment: the bottling plant is located in the middle of nature with great tranquility and spectacular views that can be observed as soon as we get closer to its facilities. The Town Hall of Catí and all its inhabitants are committed to the environment in which they live and are aware that their main job is to care for and preserve nature that surrounds them.

1.3 Company Resources.

1.3.1 Physical and Technological Resources.

Image 3. The bottling plant of Agua de l'Avellà.

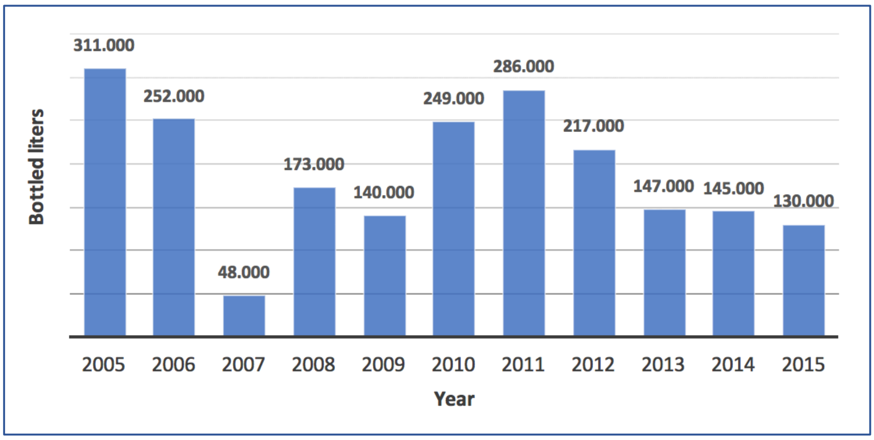
Source: prepared by the author.

As we have already mentioned in the previous sections and as can be seen in Image 3, the bottling plant is located in full nature next to the Balneario de l'Avellà.

Currently the bottling plant facilities are being in a deficit production situation that every year decreases the volume of bottled liters (Graph 1). In fact, it is not known exactly what the potential of water packaging is, since it has never been reached. Therefore, the maximum volume of liters packed is 311.000 liters registered in 2005.

To date, the facilities of the bottling plant are only open a few days a year to supply the necessary volume of bottled water and the rest of the year stands still.

Graph 1. Evolution of the volume of bottled water in the bottling plant of Catí.



Source: prepared by the author on the basis on Plan of Management of the bottling plant of Balneario l'Avellà de Catí (2017).

The bottling plant is a two-story building built in 1973. Inside the plant is subdivided into several spaces that exert different functionalities, Image 4. In particular, on the ground floor we find an area for storage of empty containers. The next space would be the area of packaging and labeling where the machinery, that develops both functions, is located in linear.

Finally, we find the area of finished product warehouse, where the packed bottles are ready for distribution to the local retail. Currently, the second plant of the bottler is not used for production functions, but as a storage space for old containers. In fact, and due to the current low level of production, many plant spaces are unexploited.

Image 4. The bottling plant Interior.

Source: prepared by the author.

1.3.2 Human Resources.

As for staff in charge of the bottling and maintenance of the bottling plant facilities, all the employees come from the Town Hall of Catí. In the operating days of the plant these persons work there apart from their functions in the Town Hall.

According to information provided by the mayor, three persons is the optimal number of workers to ensure proper operation of the plant.

Apart from the tasks of packaging and maintenance, the work of inspection of the quality of bottled water is also carried out by the staff of the pharmaceutical laboratory located in the municipality of Catí.

1.3.3 Financial Resources.

The Agua de l'Avellà bottling plant, managed by the Catí Town Hall, is fully dependent on the municipality's financial resources.

Due to the decrease in volumes of bottled water since 2005 (Graph 1), in 2008 the Diputación de Castellón allocated 36.000 €to the Town of Catí for the rehabilitation of the bottling plant. That meant an improvement in the production of water, allowing a capacity to bottle between 10.000 and 12.000 liters of water per day. Although this subsidy allowed the improvement in production volumes during the period 2008-2011, the activity is again in steady decline.

At present, an investment of 92.000 € is foreseen in a project to improve facilities to revitalize the production capacity and enable bottling of water in other packaging formats of between 0.2 and 5 liters. This cost is expected to be covered by funding from Castelló 135 Plan of the Diputación de Castellón or by similar agreement.

As we have already mentioned, all the activity of the plant is financed from the budget of the Town Hall. In 2016, the municipality balance sheet recorded the following expenditure items compared to income of 30.000 € from the sale of water. Table 1 comes up with an approximation based on the information provided by the mayor of the municipality.

Table 1. Summary of expenses generated by the operation of the plant versus income.

Concept	Expenses	Income
Sale of products		30.000€
Maintenance	5.000€	
Light	4.000€	
Cleaning	600€	
Supplies	11.000€	
Telecommunications (phone, etc.)	600€	
Technical works	8.000€	
Other	1.000€	
Total	**32.200€**	**30.000€**

Source: prepared by the author on the basis on Plan of Management of the bottling plant of Balneario l'Avellà de Catí (2017).

These expenses are inherent to the production process (the period in which the plant is in operation). That is, the remaining days, when the plant is out of operation, there are no additional production expenses.

As for personnel costs, these are included in the salary of the employees of the Town Hall, considering the work in the plant as one of their work functions. Therefore, in terms of personnel costs, the work carried out inside the bottling plant does not involve additional costs.

1.3.4 R&D.

As mentioned previously, within the Town Hall there is no department that specifically deals with issues related to the continuous improvement of plant facilities. It is the mayor himself and his councilors who directly treat these issues when the need arises. In order to solve complex technical problems, external subcontracting is used.

1.3.5 Corporate Social Responsibility.

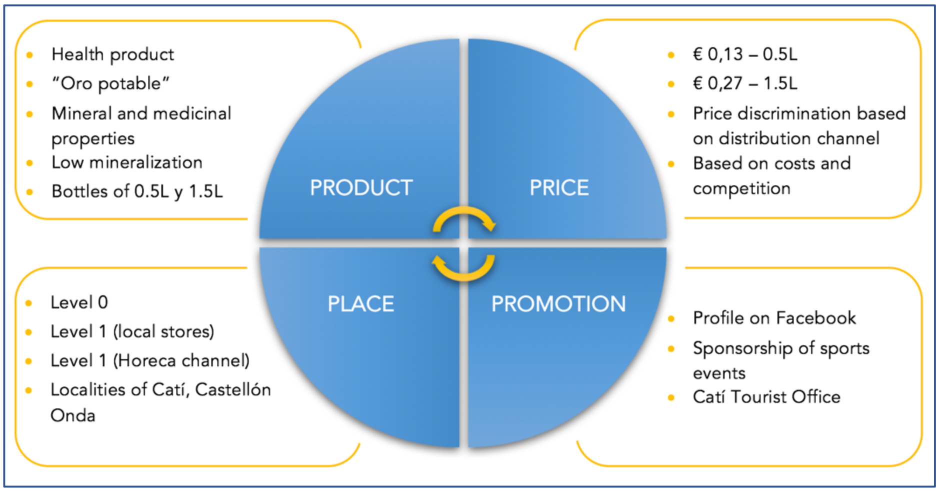
As in the area of R&D resources, there is no specific department that is responsible for the tasks aimed at preserving and sustaining the environment and society. Again, they are issues treated transversally by the government team itself. However, analyzing the actions undertaken by the Town Hall, we can emphasize several actions that contribute to the improvement and sustainability of both the community and the natural environment.

An example of the commitment to society is the creation of a club for the elderly which main objective is the literacy of those who did not have the opportunity to obtain basic education in past.

1.3.6 Marketing Resources.

Before dealing individually with the marketing resources used by Agua de l'Avellà at the present time, Figure 1 shows a schematic - summary of the four elements that make up the marketing mix of the company.

Figure 1. Summary of the current marketing mix of Agua de l'Avellà.



Source: prepared by the author on base of previous analysis.

1.3.6.1 Product.

In the following section, we will not go into the detailed analysis of the product range of the l'Avellà bottling plant, since the main and only product produced there is the still mineral water from Fuente l'Avellà. The characteristics and properties of this water are what does have a significant weight within this analysis. These are cited and referenced by many historical personalities of the locality who describe the water as "Drinking gold and water wonders from the source of the Vellá » (Dr. Miguel Miralles, no year). And others like:

"Its waters are transparent, odorless and tasteless, are born at 12 degrees centigrade, are diuretic, light and excite the appetite."

"They are bicarbonate – cold oligometallic, very suitable for diseases of the kidney and also for the stomach."

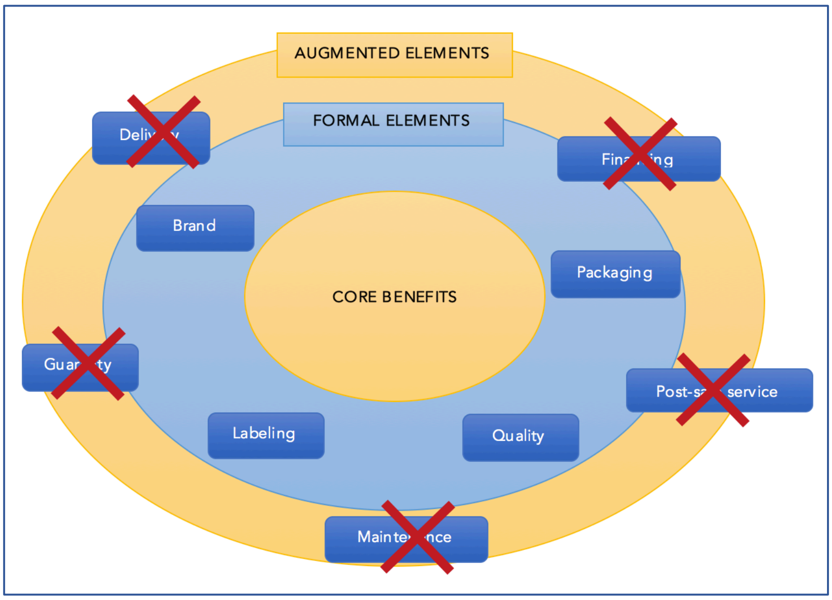
"Are appropriate for gout, oxalemia and nutrition diseases. The absorption of the metal microelements, that these waters contain, act as stimulants of metabolism and oxidation, organic, reducing the metabolic waste, which results in a purification of organic plasmas, improving eczema, herpes and other dermatoses motivated by retention of those." (Francisco Seijó)

The water is born from the spring of l'Avellà at 12 degrees centigrade, is diuretic, light and whet the appetite. The water is suitable for low sodium diets and it is considered to have mineral-and-medicinal and digestive properties due to its oligimetallic composition of weak mineralization.

According to the formal description of the classification of consumer goods (Kotler, 2012), we can catalog the Agua l'Avellà as a product of convenience, since it is a basic commodity of frequent consumption. It can be found easily in all retail outlets for a relatively low price.

In terms of product concept levels (Santesmases, 2012), we can highlight the following characteristics that are summarized in Figure 2.

Figure 2. Levels of product concept.



Source: prepared by the author on base of Santesmases (2012)

Core benefits:

- The basic utility of Agua l'Avellá, as of other waters, is to satisfy the need for hydration. However, this water can be stood out by its mineral - medicinal properties that bring the differentiating element among other bottled mineral water brands. Agua l'Avellà is recognized as a mineral water with healing properties for the skin and kidney. Moreover, it was declared of public utility by Decreto Ley de 25-04-1928 as "digestonic and diuretic, indicated against eczemas and renal lithiasis". At the moment, it is accredited by the Diputación de Castellón within the program "Ruta de Sabor" as a product of excellence and quality of the province. On the other hand, there is much evidence that confirms the high quality of the properties of this water that contribute an additional value not only to the basic benefits of the product but also to the level of medicinal benefits, thus positioning Agua l'Avellà as a product health.

Formal elements:

- They are those attributes of the product that provide an additional value at the perceptible level to the consumer. That is, they are aspects that directly stand out the product in front of the competition. They can be the mark, the packaging, the design of the label, etc.
  - Brand: According to the results of the market research we have carried out for this project, the brand does not currently provide an additional value at the level of product recognition for most of the respondents (section 3.2 Consumer behavior, see page 48). However, the Agua de l'Avellà brand is recognized by an audience over 55 years old who come from the Castellón province. They associate the brand as a "lifelong" product that provides quality assurance and trust.
  - Packaging and labeling: the containers of Agua l'Avellà are made of PET material that respects the environment and facilitates the recycling process. As can be seen in Image 5, it is currently used a basic design of the container without any feature that can stand out the brand. The water is commercialized in two dimensions of 0.5 and 1.5 liters.

Image 5. Current bottle design.

Source: Town Hall achieves.

The label design contains the general characteristics of the product (name, spring, volume), legal aspects (bar code, chemical composition, etc.) and other aspects such as use indications and core benefits. The label, however, as well as the brand, does not provide the consumer with very clear distinctive features about the origin of the water, which could associate this product with the locality of Catí. Table 2 below shows the packaging design evolution and labeling of the product over the years.

Table 2. The packaging design evolution and labeling

YEAR	CAPACITY	CONTAINER	LABEL
UNTIL 2004	2L/0.5L		
2004 - 2009	1.5L/0.5L		
SINCE 2009 UNTILL NOWADAYS	1.5L/0.5L		

Fuente: prepared by the author.

Augmented elements:

- At this level lie those attributes of the product not directly associated with it, which, however, bring an intangible value and increase its appeal to the consumer. In the case of the Agua l'Avellà we cannot emphasize any aspect that contributes an augmented benefit for its clients.

1.3.6.2 Price

Currently, the final sale price of Agua l'Avellà is about 0,13 € the 0.5 liters bottle and 0,27 € for 1.5 liters. It is calculated as the average from the data in Table 3. However, this price may vary depending on the selling point. Since water can be purchased both in local stores in Catí and in some catering establishments, each retailer sets his own level of profit margin, so that the final consumer can pay a different price at each of these points of sale.

Therefore, the price adaptation strategy carried out by the Town Hall of Catí is price discrimination in terms of the distribution channel (Kotler and Keller, 2012).

Table 3. Agua l'Avellà pricing.

Bottle volume (liters)	Quantity per box	Production cost (€)	Greene dot* (€)	Sale price (€)
1.5	6	1,36	0,08	≈ 1,56
1.5	12	2,71	0,17	≈3,5
0.5	32	4,03	0,25	≈ 4,05

*Green dot is paid for the provision of a service that the packaging company makes to the SIG for the recycling of the containers and thus to comply with the legislation (Ecoembes).

Source: prepared by the author based on the data obtained from the interview with the mayor of Catí.

After analyzing all the aspects related to pricing, we can conclude that for the Town Hall the main goal for prices is the objective of "survival" (Kotler and Keller, 2012). That means, it is intended to satisfy the consumers' needs at the lowest possible price by covering production costs and obtaining a low percentage of profit margin.

The main cost that raises the final price of water is the cost of the containers (the bottle, the lid and the label). Currently, the containers are provisioned by the supplier of the Caiba group. The other variable costs such as maintenance and administration costs are not significant because they are directly covered by the Town Hall budget.

The cost of the product itself, which is water, does not entail any cost for the entity, since it is a commodity of natural origin. Therefore, we can conclude that the pricing method is based on production costs and also takes into account the price level established by the competition.

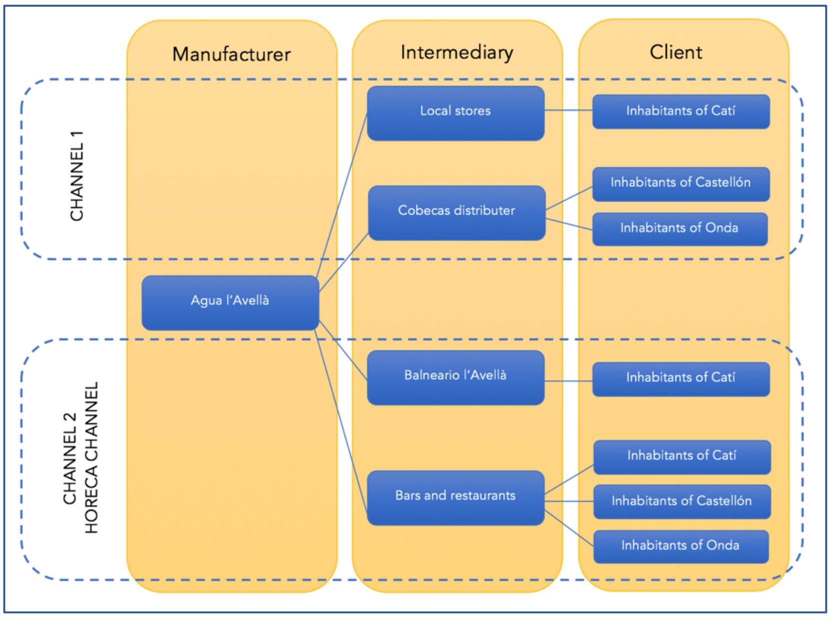
1.3.6.3 Place

Currently the Agua l'Avellà is marketed through intermediaries, in such way creating various marketing channels. Figure 3 shows the complete system of all distribution channels.

The water is commercialized, both in local stores of Catí as well as in the bars and restaurants of the locality. The Balneario l'Avellà is also one of the distributors of this product. The agents of the Horeca channel are personally in charge of transporting the merchandise from the plant to its premises.

As for the rest of the territory of the province of Castellón, until now the Town Hall had business relations with the distributor who marketed Agua l'Avellà in some bars and restaurants in Castellón de la Plana. Currently this distributor has been absorbed by the Cobecas distributor. Now this one is responsible for distributing the bottled water also in the locality of Onda.

Figure 3. Agua l'Avellà distribution channels.



Source: prepared by the author on base of previous analysis.

All these intermediaries are very useful because they facilitate the bottled water marketing process of l'Avellà. We can highlight a number of key functions that they perform according to Kotler and Keller (2012):

- Physical movement of the product from the warehouse of the bottling plant to the points of sale. Most intermediaries pick the goods the merchandise with their own vehicles and then deliver them through the points of sale.
- Reduction in the number of transactions and streamlining the marketing process.
- Adequacy of supply to demand (order management).
- Assumption of risks in the case of not selling the merchandise when acquiring the property right of product.

- Transmission of information on the evolution of demand, assortment and prices of competition, etc.

1.3.6.4 Promotion

We have highlighted this point as the weakest in the current marketing mix, since the promotion level of bottled water is practically nil.

The only communication activities we can mention is the existence of a corporate profile on Facebook, as can be seen in Image 6, where the Town Hall of Catí shares the news related to the life of the inhabitants of the municipality and different events related to the healthy lifestyle. However, we cannot emphasize the high activity on this page, since the news published have large temporary gaps.

Image 6. Corporate Facebook profile of Agua Mineral Natural L'Avellà

Source: Facebook

Among other communication activities, Agua de l'Avellà sponsors various sports events. Thus, in September 2016 the brand sponsored the IX Race for Mountain in "Esperit Skyrunning" Catí. It is also the sponsor of the soccer team of the municipality.

Finally, Agua l'Avellà can be found in the Tourist Office of Catí, being the Source of l'Avellà part of the natural heritage of the municipality. For this reason, the brand Agua de l'Avellà is a tourist promoter of the entire territory of Alto Maestrazgo that also represents its culture and traditions.

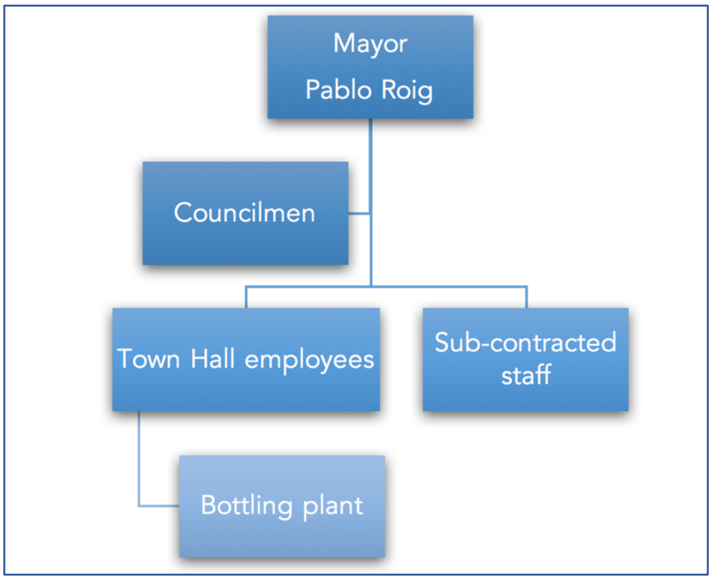
1.4 Capabilities of the Company

1.4.1 Organizational capabilities.

We cannot define in a purely formal way the division of the tasks that the members of the city council carry out both in the Town Hall and in the bottling plant. Due to the size of the entity and the reduced number of workers, the workload of each worker changes according to the needs at each moment. For this reason, it is an organization with a high degree of flexibility. Although the main coordination mechanism is mutual adjustment, the power of decision-making is centralized by the mayor of the municipality, Pablo Roig, and his government team.

Summarizing the above, we propose an approximation of the organization chart of the bottling plant as a whole with the municipality of Catí in Figure 4.

Figure 4. Organization chart of Agua l'Avellà.



Source: prepared by the author on base of previous analysis.

1.4.2 Distinctive Capabilities.

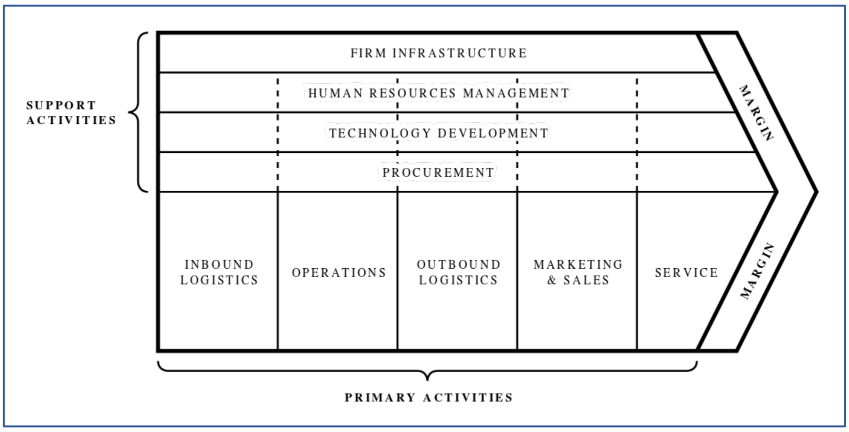
After analyzing the available information about the company and the product, we can conclude that the qualities and characteristics of this water are clearly the competitive advantage that Agua l'Avellá can stand out from the other competitors.

According to diverse sources of information, the mineral – medicinal properties of this water have favorable effects on the skin and the kidney. Therefore, we consider that we should focus on Dr. Miguel Miralles' definition of this water as "drinking gold" and take advantage of that when establishing the positioning strategy in the consumer's mind.

1.4.3 Value Chain.

Due to a very small enterprise size, it is quite difficult to distinguish the clearly delineated steps proposed by the classic model of the Porter's Value Chain (1985), as shown in the Figure 5. However, we can identify the next activities carried out at the Catí bottling plant, which all together create the value for the final customer. This final value is composed of both the primary activities of the plant and other activities that play the supporting role.

Figure 5. Michael Porter's Value Chain.



Source: Kotler y Keller (2012)

The bottling process is quite simple and does not require a significant effort on the part of the staff. The procedure begins by placing the empty containers above the tape of the bottling chain. The containers are moved successively along the chain, each passing under the dispensing machine which fills each bottle. In the next stage of bottling, the containers are automatically labeled and placed in cartons boxes of 6, 12 or 32 bottles each, depending on the size of the container. Subsequently, boxes are placed in the warehouse area until they are picked up by distributors.

As for support activities that add an additional part of the final value, we can highlight the flexibility of the operation of the plant. As we mentioned before, the plant operates only a few days a year that are enough to supply the pent-up demand. In addition, both maintenance personnel and those workers who are directly associated with the bottling process do not incur an additional cost of production because they perform their duties within the working hours of the Town Hall.

The quality inspection of bottled water is another service that brings significant value to the final customer. The laboratory located in the territory of the municipality continuously provides this service by measuring the chemical composition of the water and checking whether it meets the physicochemical and microbiological characteristics required by the current legislation applicable to bottled drinking water.

2. EXTERNAL ANALYSIS.

As we have already mentioned in previous sections, both the dimensions and the level of influence of the analyzed entity are very small, for which we consider that the analysis of external factors of the macro-environment at the national level will not bring significant value for this project. In addition, those general factors such as the main legislative framework and the environmental impact affects are already known and studied by the entity and, therefore, it makes no sense to repeat them here again.

For this reason, we will focus on external factors of the macro-environment that can actually influence the activity of our entity and other companies at regional level, more specifically in the Valencian Community.

2.1 Macro-environment analysis.

2.1.1 Political Factors.

Water is a public good, although there are privately owned rights to exploit the springs through business permits and promulgation of regulations. In any case, each Autonomous Community is authorized to grant these rights and hold the control over the mining sector.

The highest body in the regulation of the food sector is the European Food Safety Authority (EFSA). All members state of the European Union has to work in coordination with the counterparts in each country. In the case of Spain, the Spanish Agency for Food Safety and Nutrition (AESAN) is an autonomous body attached to the Ministry of Health, Social Services and Equality, whose mission is to guarantee the highest level of food safety, coordinating the actions of the competent Spanish public administrations in matters of food safety and nutrition.

In conclusion, we wanted to emphasize that the bottled water sector being a part of the Spanish food sector is regulated by a significant number of governmental entities that impose a high level of control over the activities carried out by all the member companies. All the actions are submitted under supervision starting from the method and volumes of exploitation of the spring finishing by the quality of the bottled water and its sales conditions.

In each Autonomous Community, there are a series of subsidies that promote the development of the member municipalities and help them to cope more easily with the expenses derived from the ongoing activities. In the case of the Valencian Community, we can emphasize the following types of aid:

- RESOLUTION of February 1, 2017, by the regional secretary of the Presidency, about subsidies for the maintenance of current expenditures in municipalities of municipalities of the Region of Valencia.
    - *"b) Repairs, maintenance and preservation of infrastructure, buildings and premises, machinery, transport equipment and other tangible fixed assets excluding those actions which may be covered by Chapter VI of investment expenditure"* (Generalitat Valenciana, 2016).
- DECREE 4/2017, of March 31, of the president of the Generalitat, which approves the regulatory bases for aid to the tourism sector of the Region of Valencia.
    - *"The convening for aid will be aimed at supporting investment projects, research, promotion, competitiveness, sustainability, improvement of excellence, dissemination of the image of the destinations, promotion and marketing of tourism services and products of the whole of the tourist offer of the Comunitat Valenciana"* (Generalitat Valenciana, 2016).
- Also, Diputación de Castellón every year grants a list of subsidies and aid in different areas to promote the economy and culture of the locations of the province. In 2017, 12 million euros will be allocated through the Provincial Plan for the Cooperation of Works and Services, "Plan Castelló 135", to the 135 towns of Castellón to finance projects of different types (Levante de Castellón, 2017).

2.1.2 Economic Factors.

One of the main factors at the economic level is undoubtedly the economic crisis that has affected all sectors of the country. The end result of this economic depression was the change in the consumption habits of the Spanish population.

The employment index is one of the indicators of the country's economic activity and, consequently, depends on the level of life standards of the population.

On the other hand, it is observed that the level of expenditure of Spanish households, in correlation with the employment index, has a positive evolution in recent years, according to the latest INE reports. That indicates that families can afford a higher level of spending for consumption, which has positive effects on the evolution of economic activity in general.
The crisis has affected the level of domestic demand, the reason for the decreasing evolution of consumer prices during the period 2008-2011 (INE, 2017).

In times of crisis people change their consumption habits by adapting them to a new level of budget, so that although water is a basic commodity, bottled water can be replaced with relative ease by other formats such as filter bars or tap water. With the crisis, the bottled water sector lost 25% of sales (Rivalta, 2015).

2.1.3 Social Factors.

Within social factors it is important to analyze the change in lifestyle habits and the importance of water for health. Apart from being a basic good for hydration, there are numerous studies, controlled by the European Food Safety Authority, which demonstrate essential positive effects of daily water consumption for proper body functioning and prevention of disease.

Therefore, every year there is a positive evolution of mineral water consumption by the Spanish population. Thus, bottled water consumption in 2016 was 121 liters per capita versus 106 liters in 2014, according to the European Federation of Bottled Water.

Although, nowadays the trend of water consumption is directed towards increased consumption of bottled water and purified water with the use of the reverse osmosis system technologies, there are still a considerable percentage of people who continue consuming tap water on a regular basis (Section 3.2 Consumer behavior, see page 48).

However, the quality of tap water varies depending on location and geographic conditions. Thus, according to the study carried out by Organization of Consumers and Users OCU (2017), the cities with the best tap water are Burgos, San Sebastián and Las Palmas. On the opposite side lie

Lebanza, Ciudad Real, Palma de Mallorca, Barcelona, Huelva and Lorgoño with poorest water quality indicators.

To this day, considerable number of debates still continue both for and against the consumption of tap water versus bottled water consumption that have not yet been able to reach a concrete conclusion. The arguments are different in nature: starting with the difference of costs of tap water consumption compared to bottled water costs consumption; benefits, some dubious, from the consumption of tap water versus the bottled one; and ending with the level of the environment contamination with the plastic inputs. According to Pilar Macías (El Mundo, 2015): "The only way to know if tap water is better than bottled water is to know the quality studies of municipal supply companies, but above all, read the labels of the bottled water before choosing a brand ".

The economic crisis has also affected the lifestyle habits of Spaniards. Due to high unemployment rates during the last years and greater availability of free time, the Spaniards decided to dedicate it to sport like going out to run and other free hobbies. According to the age brackets, the group that has increased the most in the last 3 years are people between 45 and 65 years. The percentage of people who invest their time in leisure to practice sports increased from 8% to 34%, according to the study of Sports Habits in Spain published by the Ministry of Education, Sport and Culture in 2016.

2.1.4 Technological Factors.

The latest trend in water consumption today is the water treatment technology by the reverse osmosis system. It is a technological advance that is becoming increasingly popular in Spanish households. It is a process that has a number of important benefits both for the body and health and for the household economy.

In short, reverse osmosis is a process of water purification through a semipermeable membrane. This membrane retains the unwanted minerals and microelements, expelling them by drainage, and directs the water with the desired chemical composition to a water tank ready for consumption. This process does not require any additional energy since it works by water pressure. Each equipment can be adjusted according to the desired level of mineralization.

2.1.5 Ecological Factors.

The use of plastic inputs is one of the main problems of production. In Spain only 32,5% of these packaging is recycled.

The bottled water sector was the first to introduce recyclable and environmentally friendly PET packaging. Besides, many companies now are modifying the design of bottles and caps to adapt them to better conditions for later recycling.

Each year the Spanish become more aware of the importance of recycling and change their consumption habits to greater environmental sustainability. According to the ECOEMBES report, a total of 74,8% of plastics, cans and briks and paper and cardboard packaging were recycled in 2015, 3,3% more than in 2014.

On the other hand, the issue of environmental sustainability highlights a number of arguments in favor of tap water consumption or reverse osmosis treatment.

Thus, according to J. Sierra, the spokesman for the newspaper Levante at Ecofira, the Environment fair that took place in Valencia in 2016: "To show visually the intimate relationship between tap water consumption and sustainability, Aguas de Valencia Group presents in its stand a sculpture with thousand bottles that represent a capacity of 1.000 liters. According to the Spanish Association of Water Supply and Sanitation, the average cost of this water taken from the tap is 1,57€ plus VAT while in a supermarket a liter is close to 0,80€".

"Besides the important economic savings that the domestic water service guarantees to families, it has to be added the environmental advantages, since it avoids the costs of production and recycling of the containers, as well as those costs inherent to the transfer of the containers from the centers of production to households and the intense carbon footprint they generate."

2.1.6 Legal Factors.

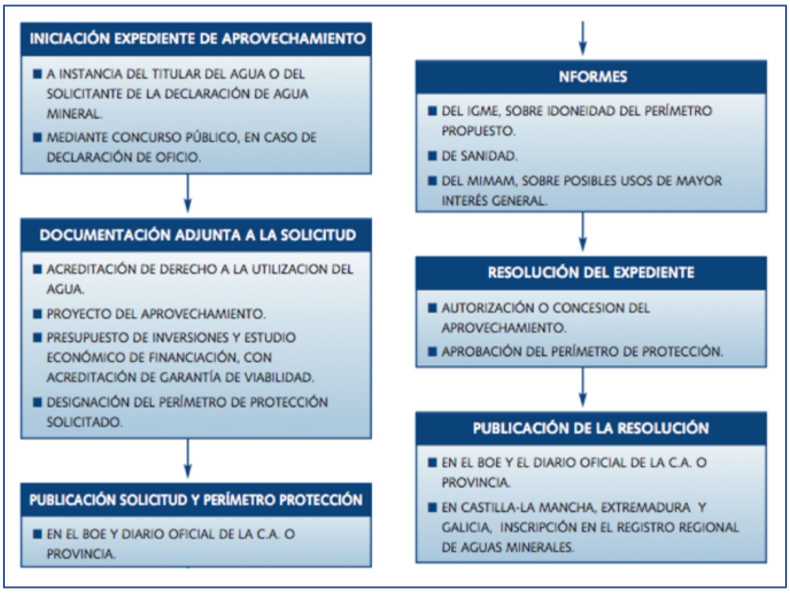
The legislative framework can create a strong barrier for entry of new competitors, since from the beginning it demands the fulfillment of numerous conditions that regulate the operation of the Spanish food sector. In addition, these regulations are reinforced by different bodies at European level.

Currently, the most influential legislation in the bottled water sector is Royal Decree 1798/2010, of 30 December, which regulates the exploitation and commercialization of natural mineral waters and spring waters bottled for human consumption.

Moreover, there are other legal regulations that give greater control over the sector: quality control standards (ISO 9001), numerous laws of environmental impact, pollution level, etc.

As we have already mentioned in the section of political factors (see page 25), each Autonomous Community is responsible for granting permits for the business exploitation of springs. Administrative concession for the use of mineral waters consists of a series of legal steps. These have mandatory basis for all applicants (Figure 6).

Figure 6. Administrative concession for the use of springs.



Source: Geological and Mining Institute of Spain.

Finally, the Table 4 summarizes all the previously described factors, valuing them according to their degree of influence that they can exert in the activity of the bottling plant. Being 1 is not at all influential and 5 is very influential.

Table 4. PESTEL influence factors.

Factor / Degree of influence	1	2	3	4	5
POLITICAL					
Government agencies for food safety				■	
Subsidies for the municipalities of the Valencian Community					■
ECONOMIC					
Economic crisis		■			
Employment index				■	
Level of household expenditure			■		
Consumer price index			■		
SOCIAL					
Change in water consumption habits				■	
Healthy lifestyle					■
Tap water consumption				■	
TECNOLOGICAL					
Reverse osmosis technologies				■	
ECOLOGICAL					
Plastic inputs			■		
Environmental Sustainability				■	
Environmental Awareness				■	
LEGAL					
Legislative framework		■			
Administrative concession for the use of mineral waters	■				

Source: prepared by the author based previous analysis.

2.2 Micro-environment analysis.

Within this section, we will analyze the components of the bottled water sector and the extent of its influence on the functioning of the company in question, basing on the Porter's model of five competitive forces (1980). This analysis will serve to highlight those economic agents that may really or potentially affect the bottling plant activity.

2.2.1 Threat of new entrants.

This section includes all those companies that, acting in nearby markets or having similar technological processes, may decide to enter the bottled mineral water sector. Taking into account the dynamics of the sector's growth and forecasts for the near future, this possibility is becoming more attractive.

It is necessary to take into account companies of treated drinking waters and public water supply that act in the water market, but which may also decide to bottle water from springs. Among other companies that use similar bottling technologies, we can highlight beverage businesses that, apart from marketing their products, may decide to market their brand of mineral water.

The main factors that may influence the decision to enter the sector are barriers to entry. Within the bottled mineral water sector, we emphasize the following obstacles that could prevent the increase of new competitors:

- As we had already mentioned in the previous sections, in order to exploit a spring, it is mandatory to obtain an authorization permit from the autonomous community, where the spring is located. Use of a natural resource has certain limits of use in both economic and temporal terms.
- High capital requirement for initial investment in machinery and facilities. This level of disbursement can normally be afforded if the potential competitor has the backing of large companies belonging to a group or brands managed by public entities (City Councils).
- The commercialization of mineral water is subject to rigorous control by the government and other food security agencies regarding the chemical composition and other microbiological requirements imposed by the legislation of bottled drinking water.
- Mineral water bottling plants normally are located in full nature, so their activity is subject to special compliance with environmental sustainability and environmental protection.

2.2.2 Buyer power.

The bargaining power of customers in the bottled water sector for Agua l'Avellà is composed of two main factors. The first one is the degree of differentiation of the product. In the case of mineral water, it is a product that has low differentiation on its own. The only uniqueness, at first sight, is the packaging design and the final price. Therefore, to customers it is almost indifferent to buy from one company or another if the set commercial conditions are not favorable to them.

Another factor that determines the degree of buyer power is the number of the clients and their nature. As for distributing companies, the bigger their size and market share is, the greater bargaining power they can exert over the bottling plant. In relation to the agents of the Horeca channel, these also have a certain power to set rules of the game.

Taking into account that Agua de l'Avellà is a very little-known product on the market with a very low participation rate, clients can exert certain degree of influence when negotiating potential commercial agreements.

2.2.3 Supplier power.

In the case of bottled water, the suppliers have a great importance on the formation of final product cost, since they are the ones who set the price of the packaging supplies. Besides, these types of suppliers usually have a differentiated customer portfolio, which reduces costs of switching from one customer to another. On the other hand, bottled waters are usually packaged in two types of packaging, plastic or glass, making it difficult to find alternative suppliers of packaging. Moreover, the cost of change of supplier can be quite high if the Catí plant decides to change the design or the type of container.

Another factor of the possible increasing in the final cost of the product is distribution transport providers. The distribution transportation business has a large number of companies, most of which are small businesses. Therefore, and by offering the same type of service - transportation - it is characterized by a strong level of competition. In our case, we do not find it very difficult to change from one transport provider to another, or, instead, replace this service with own vehicles or hire leasing service.

2.2.4 Substitutive products.

Within the bottled water sector Agua de l'Avellà has to face several competitors of substitute products that could cover the same basic need, hydration, both directly and indirectly.

On the part of the direct substitute products we face the biggest rivals of bottled mineral water that are tap water, home water service and reverse osmosis water treatment. All these alternative technologies cover part of the needs covered by bottled mineral water, and each of them has certain advantages over Agua de l'Avellà that we had already discussed in previous sections. As a result, this substitution factor may in a way limit the potential benefits of the sector and even influence its development.

On the one hand, the very low cost of tap water prevents companies in the bottled water sector from raising the price above a certain level and limiting profit margins. In addition, in some autonomous communities the quality of tap water can compete with that of bottled water, providing similar benefits for the health of consumers. However, in the case of the Valencian Community, tap water here is not considered very beneficial for direct consumption.

On the other hand, the home water service and the reverse osmosis system solve the need to buy water bottles physically, that provides greater comfort compared to bottled waters, although they require a greater amount of the outlay at the beginning. In the case of reverse osmosis, this treatment does not even require storage of the containers, which, in addition to facilitating the recycling process, contributes to greater environmental sustainability.

Substitute products that cover the need for hydration in an indirect way such as other beverages such as sparkling water, juices, soft drinks, teas and infusions, etc. may also exert a certain level of influence on the activity of the bottled plant in question. However, water is a vital good for humans that can never be completely replaced by this type of alternative drinks. As a result, their level of threat is considerably lower than that of direct substitutes for bottled natural water.

2.2.5 Rivalry among existing competitors.

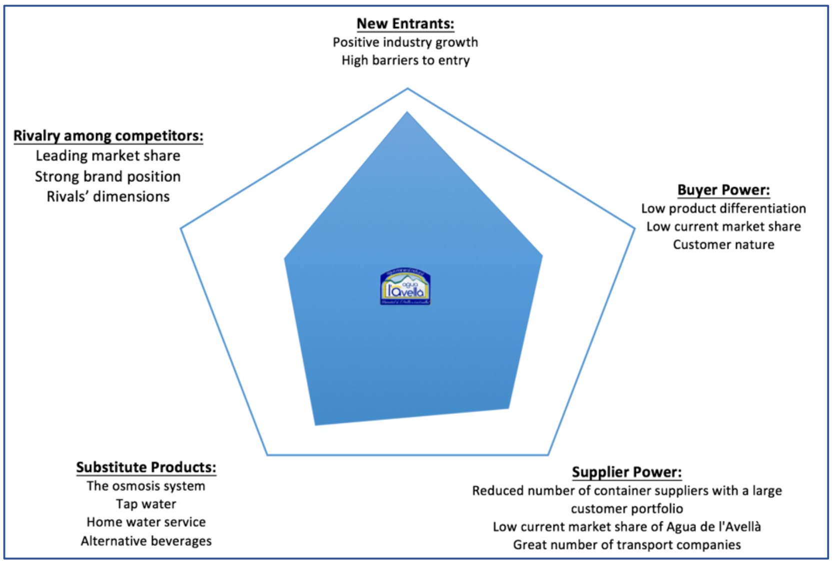
Currently in Spain there are about 140 registered companies that market bottled water (IGME, 2015). Among them, the Valencia Community has about 13. These data indicate that the level of rivalry between the companies of this sector is considerably high, also, taking into account the type of product commercialized that is characterized by very low differentiation.
As water is a product with few alternatives to stand out from the competition and the consumer, it is the brand and its position on the market that makes the difference when making the purchase decision. Therefore, the product attributes such as the label and the packaging play an important role when it comes to winning the clientele.

Given the positive outlook for the sector growth this situation is further intensified in the hope of obtaining greater profits. However, as in all sectors, the Valencian bottled water sector has its recognized leaders who hold a significant share of the market. Therefore, the challenging companies try to take advantage of any possibility of removing a piece of cake from the market leaders.

This situation does not benefit the Catí bottling plant, since it does not yet have a consolidated position on the market, which means that other competitors can influence its activity in the sector.

Finally, Figure 7 shows the overview of all previously described elements, encompassing them in what is called the Porter's Diamond.

Figure 7. Overview of L'Avellà's Porter's Diamond.



Source: prepared by the author based on Porter´s Diamond and previous analysis.

2.3 Competition analysis.

At this point, we already know the main factors of the competitive environment that can influence the activity of the Agua l'Avellà plant.

We will now focus on the main competitors that the company should be confronted to in a direct or indirect way and proceed to prioritize those rivals that can immediately influence the results of the company.

2.3.1 Competitive levels.

We will start the analysis by delimiting different levels of competition according to the approach of Munuera and Rodríguez (2002), in which each brand is evaluated from the perspective of the consumers in terms of similarities and disparities of attributes of each product.

Thus, in the Figure 8 we can observe four competitive levels. Each of these levels represents a number of competitors that have very similar characteristics of the products, satisfy the same core benefit, or also compete for the same consumers' budget.

Figure 8. Agua l'Avellà competitive levels.

Source: prepared by the author based on Munuera y Rodríguez (2002)

Product form competition is the narrowest competitive level. Here lie the direct competitors for Agua de l'Avellà, as they offer the same product to consumers, which is bottled mineral water, with very similar characteristics and trying to satisfy the same need for hydration, among many others.

To deepen our analysis and adapt it to the characteristics of the company in question, we have decided to subdivide this level. In this way, we can focus on those competitors that really interest us for their detailed analysis.

Thus, we can classify the brands of Agua Benassal, Agua Bejis, Cortes, Orotana and Chóvar as our main competitors, the companies located in the territory of the Castellón Province.

On the other hand, we have delimited the level of other national competitors, in which we find Solán de Cabras, Lanjaron, FontVella, Aquarel, Vezoya and Aquabona waters. These brands also offer products that have very similar attributes like Agua de l'Avellà. However, due to their territorial location, they will not significantly influence the activities of the Catí bottling plant.

Besides, taking into account the plant characteristics and the production volume, we consider that it is too early to pass to the next competitive level of the entire community and the national territory.

At the level of competition of the product category, we will take into account all direct substitutes for natural mineral water. The list of these competitors consists of tap water, water treated by the osmosis system, filter jars and home water service. All these alternatives satisfy the same need for hydration by providing the "same" product, but in a different way (we place quotation marks around since, from the basic point of view, in both cases it is water).

In spite of this, the attributes and properties of the water of these competitors differ from those of the mineral water. It is the reason why they will be placed to next competitive level. However, they will be our competitors, albeit indirectly, since some of these alternatives have considerable growth potential compared to bottled water, as we have already mentioned in the previous sections.

As for generic level of competition, here we find all those products that satisfy the same basic consumer need, to quench thirst and hydrate. At this level, they are all non-alcoholic beverages, water-based or not, that could substitute water indirectly, such as juices and soft drinks, coffee, tea and infusions, milk drinks, isotonic drinks, etc.

We consider it important to mention these competitors, since the consumption level of these beverages as a whole is considerable compared to water consumption. In this case, Agua de l'Avellà has to convince the market that it is much more beneficial and healthy to consume bottled water rather than other alternatives.

Finally, Agua de l'Avellà also has to fight for the same consumers' budget, that is to say all those products and services that could be acquired by the same price to the bottled waters. In this context, all companies are competitors among the others and it is inefficient to compete against all of them from the marketing point of view. The only thing we are to keep in mind is to try to convince the consumer that investing their budget in the purchase of bottled mineral water is the most satisfactory and beneficial option.

2.3.2 Main competitors.

Agua Benassal and Agua Bejis are the main competitors of Agua de l'Avellà as we have concluded in the previous section. These two brands not only operate in the territory of the Castellón Province, but are the companies that have the most territorial proximity to the location of the Agua de l'Avellà bottling plant. As already mentioned in previous sections, transport is one of the most significant costs that may influence the final price of bottled water. Therefore, we consider it important to carry out a detailed analysis of these competitors.

Moreover, we must include Cortes water brand in the category of the main competitors since, according to our research on consumer behavior (see page 48), the 15,7% of respondents consume this brand in the normal way.

On the other hand, other brands of the province of Castellón such as Orotana or Chovar will not be of great interest for our analysis, since, according to our market research (Section 3.2, see page 48), they do not have a great demand on the part of our respondents.

2.3.2.1 Agua Benassal

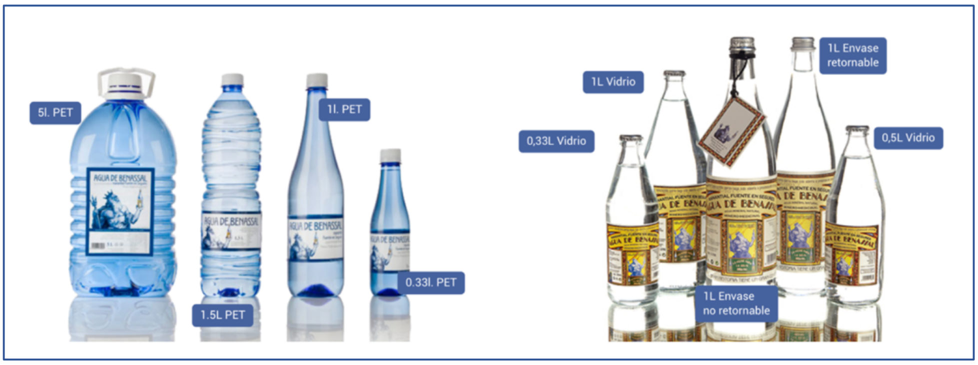
The natural mineral water brand Agua Benassal, comes from Fuente de Segures, Benassa. It is classified as mixed bicarbonate and oligometallic, with weak mineralization. The mineral - medicinal properties of this water make it recommended for people suffering from kidney problems, high blood pressure, decelerated metabolism and those with little active vesicle or liver.

Since 2005 Aigua de Benassal S.A. is completely managed by the municipality’s Town Hall. Currently the bottling plant has 11 workers hired on a permanent basis.

Regarding the financial situation, in 2014 it invoiced almost one million euros, however, the year was ended with a negative balance of 148,381 euros (Sabi).

The product portfolio of Agua de Benassal consists of several formats of bottled mineral water (Image 7). On the one hand, bottles of 5, 1.5, 1 and 0.33 liters are marketed in PET containers. On the other hand, formats of 1, 0.5 and 0.33 liters are sold in glass containers. The 1-liter glass containers are subdivided into two types: returnable and non-returnable.

Image 7. Product portfolio of Agua Benassal.



Source: aguabenassal.com

The Agua Benassal brand stands as a Premium brand focused on gourmet food. Besides, a few years ago the brand launched a special packaging format to be placed in the high-gastronomy sector, based on values of quality, tradition and innovation. For this, it was created a special packaging design that would be distributed to the gourmet segment at special prices. Currently, it can be found in the best restaurants of the Valencian Community and gourmet stores in Catalonia, Aragon and Asturias.

Agua Benassal is distributed throughout the Valencian Community, Catalonia, Aragon and Asturias via the food distributors chains, specialized food and gourmet stores. Its main distributors list consists of Alcampo, Carrefour, Champion and Coaliment.

The distribution is made by the bottler itself with its own transport. A specific business contract is signed with each of the distributors, agreeing prices in terms of volume of purchase.

Since 2012, Agua Benassal has been exported to China, focusing on the Shanghai and Hong Kong areas. It is marketed in food and catering sectors in glass containers with adapted labeling.

As for promotion activities, Agua de Benassal has its own website, a blog, and it is present in social networks like Facebook and Twitter. With these tools the company shares with its consumers the news and articles related to the healthy properties of water, history and traditions of the company and other news related to the sector and the world of restoration.

As additional information, Agua de Benassal stands out for its numerous awards such as the Diamond Award granted during 7 consecutive years by the International Taste&Quality Institute of Belgium as one of the best international medicinal mineral waters, the Oliver Rodés Seal for quality in all the production processes and the gold medal in the Extraordinary National Tasting of mineral waters by the Classroom of Collectors, AULINCAT and Radio Tourism, among others.

2.3.2.2 Agua Bejis

Agua Bejis comes from the Los Cloticos spring. The Bejis Town Hall is in charge of the management of the bottling plant and the commercialization of mineral water since 1929. The Agua Bejis bottling plant is responsible for the production of its own containers.

Currently, the company has 32 employees, including plant workers and town hall staff responsible for administrative tasks.

The emblematic format of the Agua Bejis product portfolio is the 10-liter returnable glass bottles (Image 8). There are other maxi formats of bottles sold for coolers of 20 and 13 liters. These are distributed to private companies and other public bodies. Agua Bejis is also commercialized in PET bottles of 8 and 5 liter formats. And, finally, there are a smaller size bottles of 1.5, 0.5 and 0.33 liters.

Image 8. Product portfolio of Agua BEJIS.

Source: aguadebejis.es

As for labeling, there are two different label types. The first type, the conventional labeling, is used for non-returnable containers and then are recycled next to them. The other type of labels can remain stuck up to 5 years after the processes of washing and preparation of the returnable containers for later use.

The Agua Bejis distribution network expands throughout the Valencian Community (Castellón, Valencia and Alicante), Almería, Toledo, La Rioja and Baleares. Its main clients are small independent businesses, most of them work for the company almost exclusively, being in charge of both the distribution of water and the giving back of returnable containers.

Its client portfolio includes The Brand Company, a company of personalized water that commercialize merchandising products. Agua Bejis is responsible for bottling the containers supplied by the company The Brand Company with the water from its spring.

Agua Bejis also sells its water door to door, distributing the its product to households, public entities and private organizations via its own transport and autonomous distributors (such as Aguacas).

Regarding the communication activities, the company has its own website, a Facebook profile and a Twitter account, although the last ones have not been used by the company since 2012. On the other hand, Agua Bejis is a sponsor of the Vall D'uixò soccer team. The main advertising tool used by the company for its products is the outdoor advertising on the transport trucks.

2.3.2.3 Agua Cortes

Mineral bottled water Cortes comes from the Penyagolosa spring located in a small village Cortes de Arenoso. There is located the bottling plant in charge of the whole production process, from the containers manufacturing to the bottling and the labeling of the final product. This water is characterized by its weak mineralization, rich in calcium and magnesium and low in sodium.

Agua de Cortes, S.A. is a private enterprise with 53 employees, coming from the municipality itself. To date, it has a turnover around 14 million euros per year with a positive trend of profits that are close to 600.000 euros.

An important part of its profits is destined to the research and development, whose purpose is to look for new formats of the product. The launch of a new sparkling water line was one of the company innovations during the last years.

The product portfolio of Agua Cortes is currently composed of several lines and formats (Image 9). The natural mineral water line is commercialized in sizes of 8, 6, 5, 2, 1.5, 0.5 and 0.33 liters. While the sparkling water line is marketed in 1.5 and 0.5 liter containers. The particular packaging design (rectangular shape) stands out Agua Cortes against the offer of the other competitors.

Image 9. Product portfolio Agua Cortes.

Source: Soysuper

Agua Cortes stand out because of its policy of very low prices. According to Andrés Gallen, the CEO of Agua Cortes, the profit margins obtained are minimal and often do not reach even a euro per bottle. The main sales strategy focuses on large turnover levels with low margin.

The distribution system focuses mainly on the Valencian Community, Mercadona is its main distributor. Natural and sparkling water is also commercialized in Aragon and Catalonia. In Navarra and Albacete only natural water is distributed.

As for the main distributors, the water is commercialized through the food chains and agents of the Horeca channel. For reasons of high transport costs, the company does not want to expand its distribution area beyond 300 kilometers from the bottling plant in Cortes de Arenoso. It is the company itself that is charge of the distribution of the merchandise.

As for communication activities, the remarkable fact is that Agua de Cortes uses almost no tool to promote its products. The company has a website, which contains only the general information about the organization, and a Twitter account, that has almost no activity.

According to the Agua Cortes' CEO, the only and the best method of communication is the advertising in the point of sale where the consumer himself can see the attractive price of this water and check its quality.

2.3.3 Comparative analysis.

2.3.3.1 MK MIX comparative analysis.

Table 5. MK MIX comparative analysis.

Competitor	Product	Price (general public)	Place	Promotion	Competitive advantages against Agua de l'Avellà
Agua Benassal	PET format: • 0.33L • 1L • 1.5L • 5L Glass format: • 0.33L • 0.5L • 1L (returnable) Premium glass format: • 1L (non-returnable)	PET format: • 1.5L –0.54€ (0.36€/L) • 5L –1.64€ (0.33€/L) Premium format: • 1L –1.65€	Distributers: • Food retail chains (Alcampo, Campion, Coaliment) • Gourmet stores • Restaurants Area: • Valencian Community • Catalonia • Aragon • Asturias • China (Shanghai, Hong-Kong)	• Web page • Blog • Social networks (Facebook, Twitter)	• **Positioning in the Gourmet segment** • **Strong distribution network** • **Numerous awards and qualifications**
Agua Bejis	Returnable format: • 10L • 13L • 20L Non-returnable format (PET): • 0.33L • 0.5L • 1.5L • 5L • 8L	no information found	Distributers: • Small food retailers (Local stores, Organic stores) • Organizational consumers (public and privet enterprises) Area: • Valencian Community • Almeria • La Rioja • Baleares	• Web page • Social networks (Facebook, Twitter) • Outside advertising	• **Own packaging production** • **Distribution to large public and private entities** • **Home water service**
Agua Cortes	Still water format: • 0.33L • 1L • 1.5L • 2L • 5L Sparkling water format: • 0.33L • 0.5L • 1L (returnable)	Still water format: • 0.33 – 0.15€ (0.45€/L) • 1.5L – 0.26€ (0.17€/L) • 2L – 0.27€ (0.14/L) • 5L – 0.85€ (0.17€/L) • 8L – 1.14€ (0.14€/L) Sparkling water format: • 0.5L – 0.19€ (0.38€/L) • 1.5L – 0.35€ (0.23€/L)	Distributers: • Food retail chains (Mercadona) • Horeca (sparkling water) Area: • Valencian Community • Aragon • Catalonia • Albacete • Navarra	• Point-of-sale advertising	• **Differential packaging design** • **Wide range of product formats** • **Own packaging production** • **Low price** • **Presence in the establishments of Mercadona**

Source: prepared by the author.

2.3.3.2 Chemical composition comparative analysis.

Table 6. Chemical composition comparative analysis.

Chemical composition (mg/l)	Agua l'Avellà	Agua Benassal	Agua Bejis	Agua Cortes	Element's proprieties
Dry Residue (180°)	**230**	285	159	256	Indicates the water mineralization degree. The value between 50 and 500 mg/l is considered to be weak mineralization. The level of mineralization affects water diuretic actions.
Bicarbonate (HCO3)	**235**	285	163	268.4	Higher level of bicarbonates (>600 mg/l) is recommended for people with digestion problems (they facilitate the neutralization of acidity in the stomach) and diabetics (for better response to insulin).
Sulfate (SO4)	**12.7**	26.4	16	17.6	High levels (> 200mg/l) cause slight laxative effect. Max. recommended level is 250 mg/l.
Chlorine (Cl)	**4.2**	4.1	5.3	8.7	Helps the liver to eliminate toxins. Water is characterized as chlorinated with levels greater than 200 mg/l.
Calcium (Ca)	**74.7**	97.8	47	81.9	Levels greater than 150 mg/l is beneficial for bones and teeth, because prevents osteoporosis. Together with Potassium and Magnesium it improves blood circulation.
Magnesium (Mg)	**5.4**	3.6	6.2	7.2	It balances the central nervous system and encourages the fat digestion. Water is considered magnesium when over 50 mg/l.
Sodium (Na)	**2.6**	2.8	2.8	2.8	High levels (over 200 mg/l) are recommended for people with blood pressure problems. Low levels (up to 20 mg/l) are recommended for infant food preparation.
Silica (SiO2)	**2.5**	4.3	4.3	8.2	Favorable effects for hair and nails. Generally, the mineral waters contain less than 20 mg/l, although some can reach up to 100 mg/l.

Source: prepared by the author based on previous analysis.

2.3.4 Competitor Positioning.

To conclude the analysis of the main competitors, we will make the last comparison of all the brands analyzed via the positioning map.

Normally, the first comparison variable is the price of mineral water. It places the product on the ordinate axis of the positioning map according to the public sale price of mineral water.

The second comparison variable, in general, is the quality of the product in question that can be lower or higher according to a series of objective or subjective criteria. However, in the case of mineral water it is not so easy.

That is to say, a priori all the mineral waters that we are analyzing are quality products, since they have passed all the sanitary inspections and its chemical composition corresponds to the norms imposed by the Spanish Agency of Consumption, Food Safety and Nutrition (Aecosan). All these waters are recognized by the European Union and are included in the list of natural mineral waters of Member States (European Commission Food).

On the other hand, as can be seen in Table 6 that describes the comparative analysis of the chemical composition of each water brand, each mineral element provides determined properties depending on its content per liter of water. Therefore, each consumer will choose one or another brand according to the needs of their health and body, based on the information on the label or simply on the taste of water.

Therefore, the criterion of quality cannot serve to place each brand in the positioning map because it is too subjective criteria for each person.

So, we asked ourselves what criteria we can take into account in order to place all competitors on the same positioning map. In conclusion, after analyzing each of the main competitors, we have realized that there is no one common positioning map for these brands, since each of them is positioned according to a different criterion, that reflects its competitive advantage on the market.

Thus, Agua Benassal is positioned on the market of gourmet products, while Agua Bejis is more interested in the market of large organizational clients such as private companies and other public entities. On the other hand, the main objective of Agua Cortes is the mass consumption, reason why it is positioned as the affordable water for all the publics.

Therefore, if we try to place Agua l'Avellà on each of these maps, its final position will reflect a rather unfavorable positioning. The reason for this is that none of these positioning criteria is the one that Agua de l'Avellà should really use.

As we have already mentioned in the internal analysis, the mineral – medicinal properties of Agua l'Avelà are its main competitive advantage. That is what the brand really should use to position itself in the minds of its consumers.

Consequently, although the previously analyzed brands are considered as the main competitors for Agua de l'Avellà at the territorial level, they will not be totally, since, they have totally different positions, which causes them to take different directions when establishing competitive strategies and action plans to reach their target audience.

3. MARKET AND DEMAND ANALYSIS.

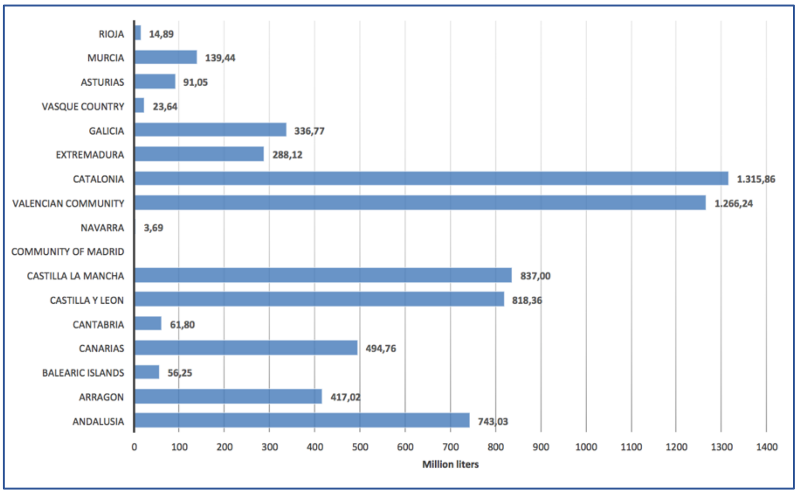
3.1 Sector evolution.

We consider it significant to delimit the sector within we are working in and to study its evolution during the last years. Above all, we are interested in the sector evolution in the Valencian Community area.

The Spanish bottled water sector is made up of 140 companies that each year invoice around 800 million euros (Aneabe, 2016). It is a dynamic sector which assets grow year after year, as a result of the growing consumer demand concerned with their health and well-being. Thus, according to data from the European Federation of Packaged Water (EFBW), Spain is the fourth coutry after Germany, Italy and France in the bottled water production. In terms of consumption per capita, a Spaniard consumes about 121 liters per year compared to Italy, where 189 liters is consumed. In this way, Spain in the fourth after Italy, Germany and France.

In terms of national production, the Geological and Mining Institute of Spain (IGME) in 2015 registered a total of 6,907 million liters of bottled water, 5,62% more than in 2014. This production provided with job to more than 3.735 people.

Graph 2. Bottled water production by each Autonomous Community.



Source: prepared by the author based on IGME data (2015).

Focusing on the Valencian Community, here were bottled 1.266 million liters, 18,33% of the national production. Compared to the rest of the Spanish territories (Graph 2), the Valencian Community is the second community of bottled mineral water largest production after

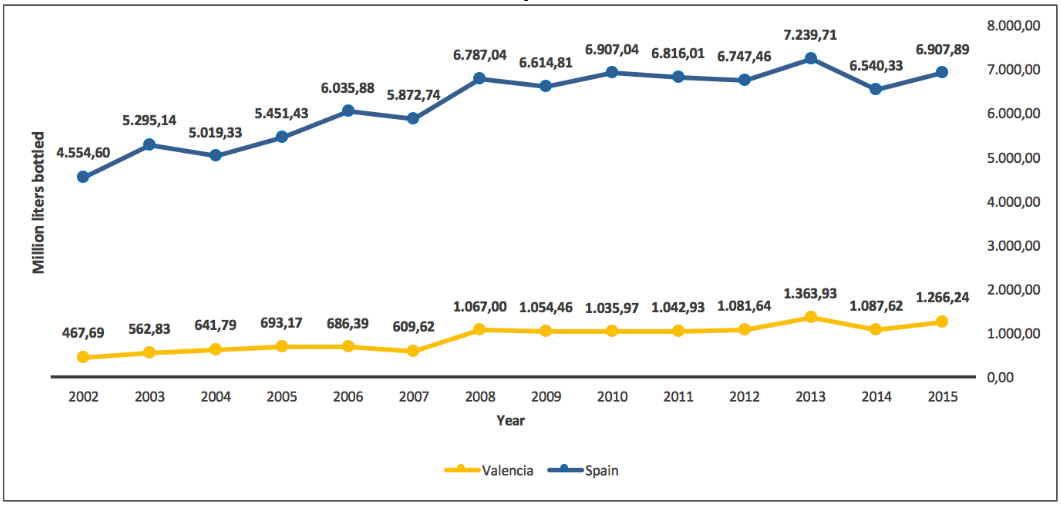
Catalonia, and one of the communities with the largest number of bottling companies (IGME, 2015). Valencian denomination has about 15 brands of bottled water (Ligorio, 2013).

As a curious fact, we emphasize that the Community of Madrid does not currently have any bottling plant, therefore the production volume there is nil.

Analyzing the period of the economic crisis and how it influenced the activity of the bottled water sector, the statistical evidence shows its resistance to the negative effects of this period of depression.

Graph 3 shows that during the period of 2008 until 2015 there was no significant decrease in the volume of production. On the other hand, it can be seen that the sector continues growing throughout all these years, although the growth rate has irregular behavior both at national level and at the level of the Valencian Community that shows a slightly more stable evolution.

Graph 3. Evolution of the bottled water production in the Valencian Community compared to Spain.



Source: prepared by the author based on IGME data (2015).

In terms of numbers, according to data from IriWorldwide, since 2014 the sector increased its sales, reaching an amount of 760 millions of euros. One of the factors of the growth of the sector has been the recovery of the restoration sector, according to Cerdric Pantaleón, marketing director of Aguas Font Vella and Lanjarón.

3.2 Consumer behavior.

In this section, we will describe the result of the market research that we have carried out to better understand the characteristics of the bottled water consumers that reside in the Valencian Community.

3.2.1 General description of the market research.

The main goal of this research was to know the current and potential consumer of Agua l'Avellà. Specifically, we wanted to know:

- Habits of water consumption
- Reasons for consumption of bottled water
- Uses of bottled water
- Main factors associated with purchasing process
- Information about the purchase of bottled water
- Usually consumed brands
- The profile of mineral water consumers

For this purpose, we have created an online questionnaire using the Google Drive platform. The questionnaire consisted of 23 questions about the opinion on bottled water and was distributed to our network of contacts from March 29, 2017 to April 24, 2017, obtaining 310 responses. The Table 7 presents the technical file of the investigation:

Table 7. Technical file.

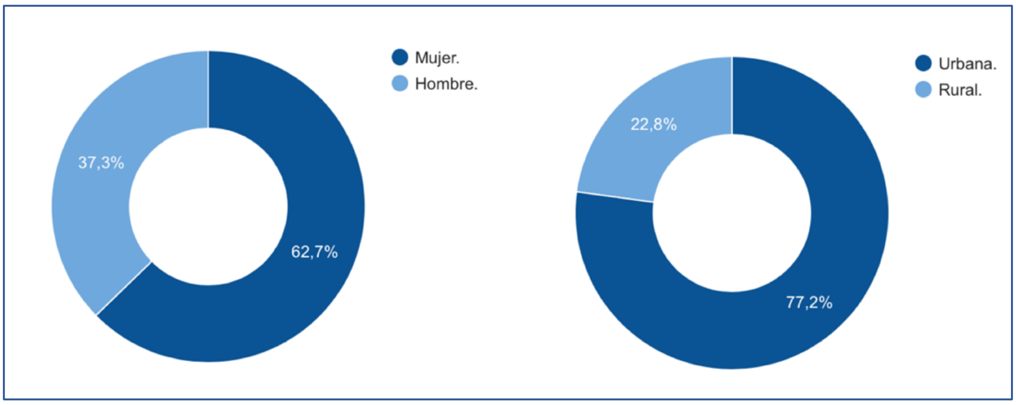
The research universe	Men and women over 18 years of age residing in Spain (Valencian Community).
Collecting information method	Free structured questionnaire.
Field of study	On consumer behavior and opinion on bottled water.
Sample size	310 valid answers.
Sample error	p=q=0.05, confidence level = 95%
Questionnaire	Structured questionnaire subdivided into 7 blocks with dichotomous closed questions, multiple choice, multiple answer and mixed questions.
Work in field period	March 29, 2017 – April 24, 2017

Source: prepared by the author based on previous analysis.

3.2.2 Survey respondent profile.

First of all, we proceed to the description of the survey sample to know the profile of the respondents. In total, we have obtained 310 responses from persons who are already consuming Agua l'Avellà and those who did not know the brand until the moment and who could be its potential consumer. The respondents are over 18 years old persons, 195 are women and 115 are men. As for the origin of the respondents, we have 239 persons from the urban origin and 71 people of the rural origin (Graph 4).

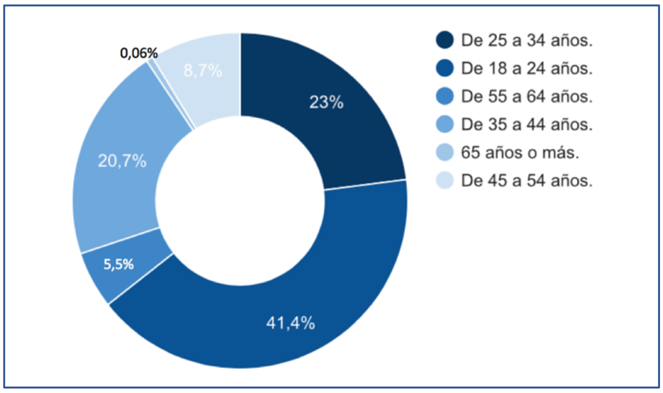
Graph 4. Gender and origin of the respondents.



Source: prepared by the author based on previous analysis.

Graph 5 shows the distribution of the results by age ranges. As can be seen, the majority of the respondents are young people between 18 and 34 years, more than 64% of the total. While 55 years old people and older have the smallest presence among the surveyed population, only 6,1% of 310 total answers.

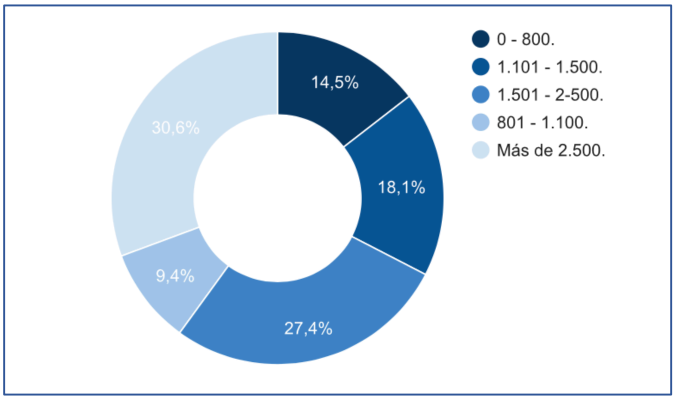
Graph 5. Distribution by age ranges.



Source: prepared by the author based on previous analysis.

As for the distribution of income of the respondents, Graph 6, the 31% of households obtain more than 2.500 euros monthly, while the average income is between 1.500 and 2.000 euros per month.

Graph 6. Distribution by level of income.



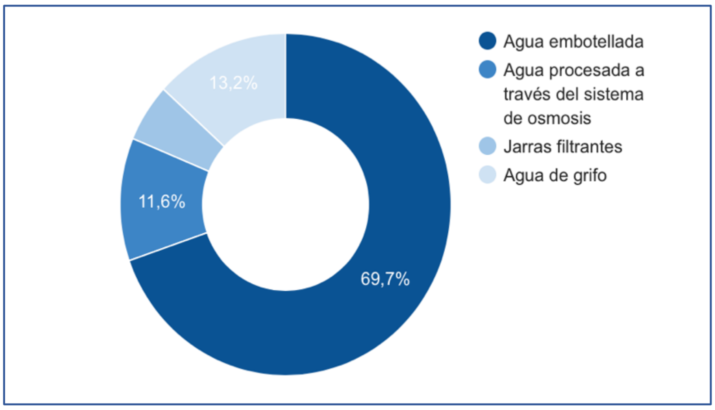
Source: prepared by the author based on previous analysis.

3.2.3 Consumer behavior: consumption habits.

With regard to the results on the consumer opinion on the consumption habits issues of bottled water, we have obtained the following series of conclusions.

The majority of respondents perceived great importance in terms of water consumption, scoring 4,6 out of 5, according to the Likert scale, where 5 is very important and 1 is not important all. However, not all the respondents consume bottled water in the usual way, although they are the vast majority, the 69,9%. The 13,2% of consumers prefer tap water rather than the bottled one, 11,6% use the reverse osmosis system and the remaining 5,5% consume water from the filter jars (Graph 7).

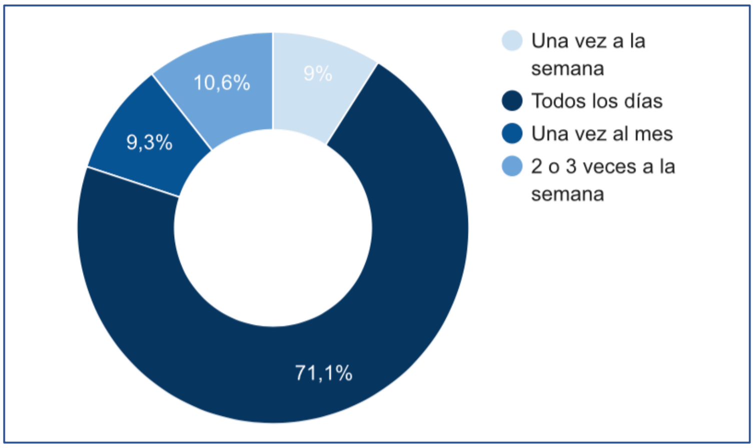
Graph 7. Modalities of water consumption.



Source: prepared by the author based on previous analysis.

As for the frequency of bottled water consumption (Graph 8), almost all respondents use it daily, the 71,1%. On the opposite side, there are people who consume it only once a month, the 9,3%. And this percentage is higher than those persons who say they consume bottled water once a week, the 9%.

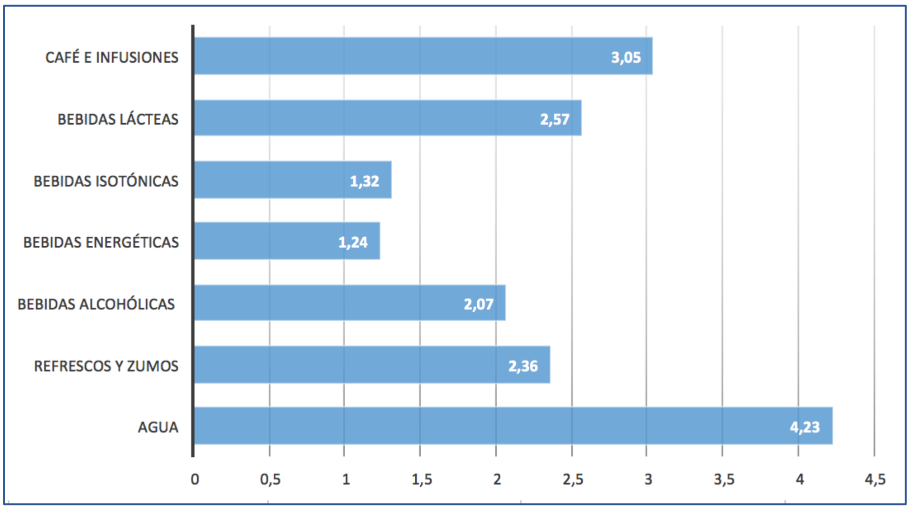
Graph 8. Frequency of water consumption.



Source: prepared by the author based on previous analysis.

Compared with other beverages, Graph 9, the highest habitual consumption is attributed to coffee and infusions with a score of 3,05 out of 5 (Likert scale, where 5 is very frequent consumption and 1 is not frequent at all) and to dairy drinks that obtained a valuation of 2,57 points out of 5, according to the Likert scale. On the opposite side, there are isotonic and energy drinks, which consumption is not usual for respondents, less than 1,5 points out of 5 (Likert scale).

Graph 9. Consumption frequency of other beverages.

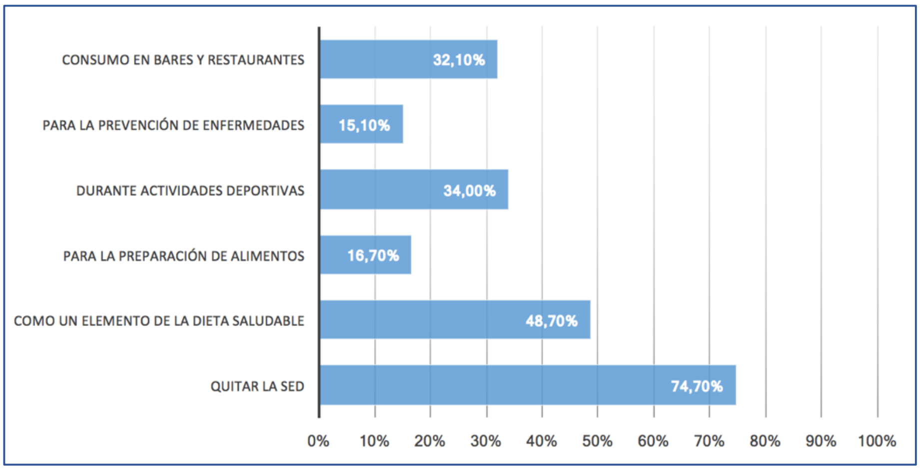


Source: prepared by the author based on previous analysis.

Inquiring about the reasons for bottled water consumption, the most frequent response has been the need for hydration, the 74,7%, although not surprising (Graph 10). Among other reasons for consumption also includes consumption of bottled water as an element of the healthy diet, the second most frequent response, the 48,7%.

About a third part of respondents use bottled water during sports and consume it during their stay in bars and restaurants, 34 and 32,1% respectively. The food preparation is not a pre-determined reason for the bottled water consumption, since only 16,8% of the respondents use bottled water for this purpose. Finally, the least frequent use that respondents attribute to bottled water is for disease prevention reasons, 15,1%.

Graph 10. Reasons for bottled water consumption.



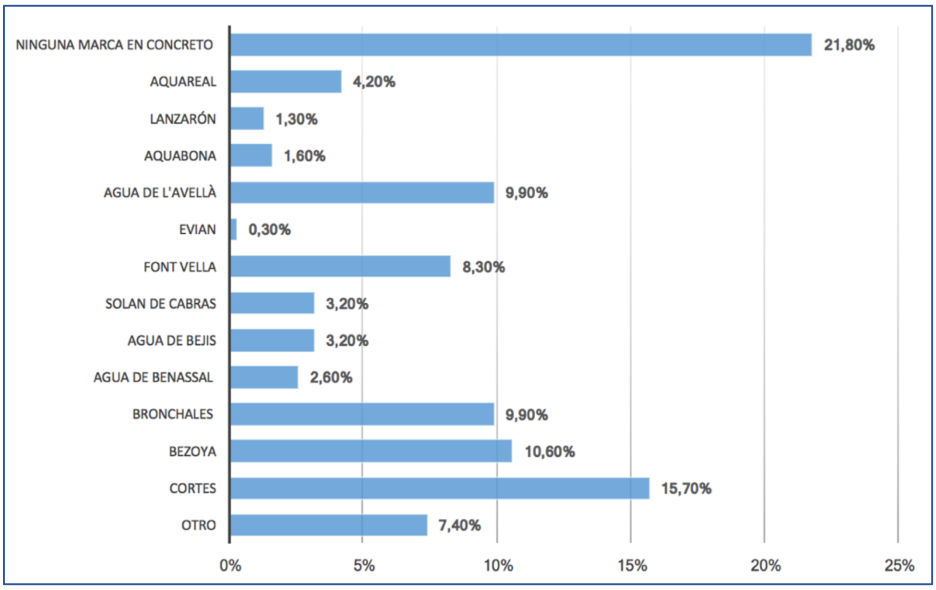
Source: prepared by the author based on previous analysis.

3.2.4 Consumer behavior: purchase habits.

In terms of purchasing habits, more than the half of consumers (56,8%) say that they are not loyal to a brand of bottled water. This is the reason why the most frequent answer to the question about the brand of habitually consumed water is "No brand in particular" that marked 21,8% of the respondents, Graph 11.

On the other hand, the 15,7% of the respondents consume the Cortes water brand in the usual way, followed by Bezoya and Bronchales that is consumed by about 10% of the surveyed persons. Agua de l'Avellà is consumed by 9,9% of people in the usual way.

Graph 11. Preferences for bottled water brands.

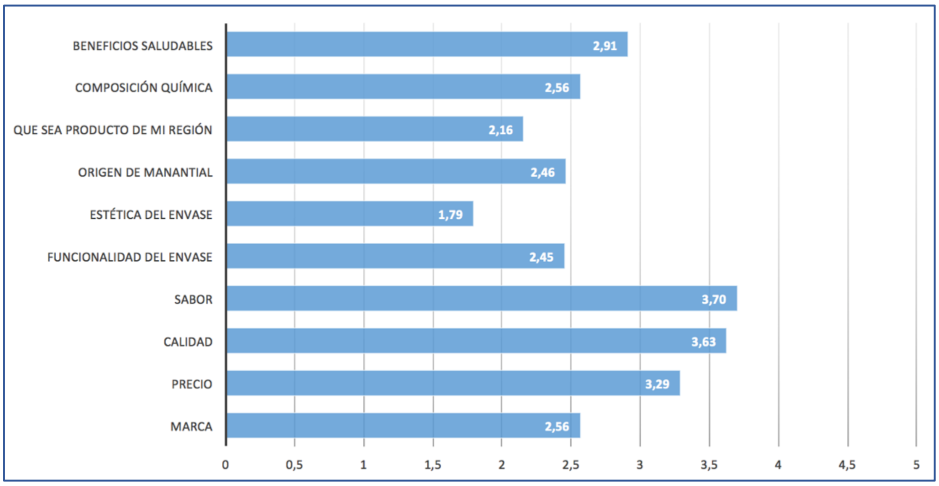


Source: prepared by the author based on previous analysis.

When choosing the water brand, respondents pay the greatest attention to taste, quality and price, valuing these factors by more than 3 points, according to the Likert scale where 5 is very important and 1 is not important at all, Graph 12.

The health benefit factors of the water in question, its chemical composition and its brand, can also exert a certain level of influence, more than 2,5 points over 5. Other attributes such as the functionality of the container and its design, the origin of the spring and the fact that the product is of the consumer's origin has almost no importance when choosing the product, score less than 2,5 on 5.

Graph 12. The purchase decision influencing factors.



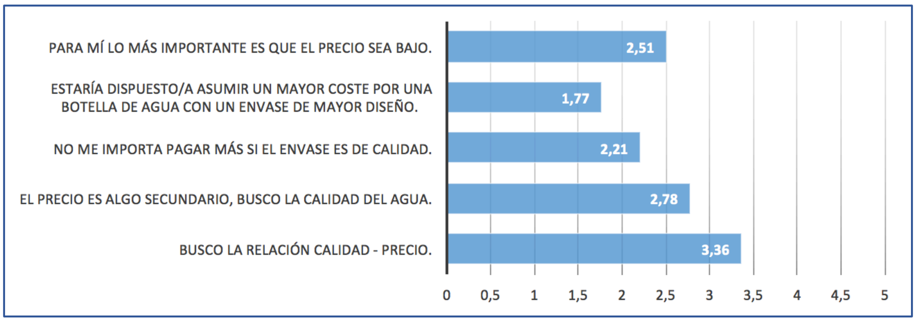
Source: prepared by the author based on previous analysis.

As price is one of the decisive factors in choosing a brand of water, we have also asked people how this factor influences their purchase decision, Graph 13.

Thus, the majority of respondents look for the best value for money, giving 3,36 points out of 5, according to the Likert scale where 5 is totally in agreement and 1 is totally disagree. However, they also agree, or in other words, there are more people who agree than those who disagree, with the statements of "For me the most important is the low price," 2,51 out of 5, and "Price is secondary, I look for quality water," 2,78 out of 5.

What does stand out is that people are not willing to assume a higher cost for a bottle of water with a sophisticated design nor for a higher quality container, scored of 1,77 and 2,21 on 5 respectively, according to the Likert scale.

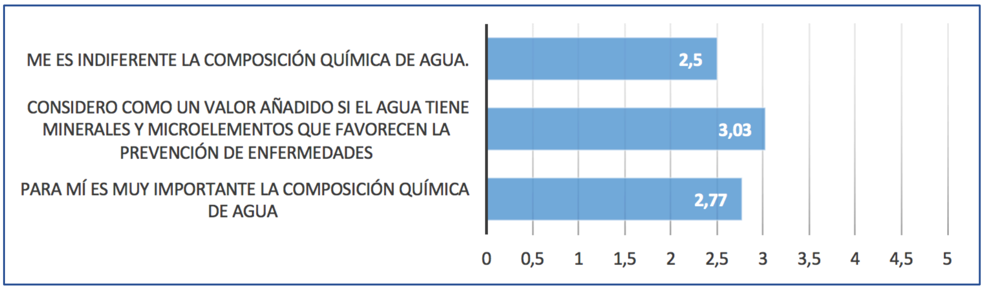
Graph 13. Degree of influence of the price factor on the purchase decision.



Source: prepared by the author based on previous analysis.

Regarding the respondents' opinion on the chemical composition of water, it is a factor that has some influence on the purchase decision, as we had seen in Graph 12. Graph 14 confirms that consumers are looking at the content of minerals and microelements in water when choosing a water brand. In addition, they consider it as an added value if water has properties that favor the diseases prevention, valuing this assumption with 3,03 points out of 5, according to the Likert scale, where 5 is totally in agreement and 1 is totally disagree.

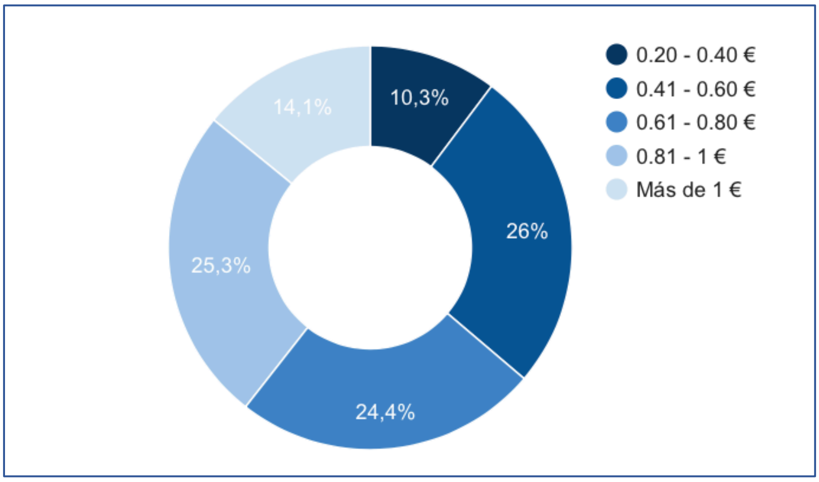
Graph 14. Degree of influence of the chemical composition on the purchase.



Source: prepared by the author based on previous analysis.

Asking the public what price range, they would be willing to assume per a standard 1.5-liter water bottle and taking into account that the water in question has mineral - medicinal properties that favor digestion and have positive effects on the skin and the kidney (Graph 15), the 26% of the respondents have answered that they would pay a price between 41 and 60 cents of the euro. While another 24,4 and 25,3% are also willing to assume a higher cost, between 61 and 80 cents of the euro and 0,81 and 1 euro respectively per a bottle. On the opposite sides, there is the minority of the persons that would pay a price of between 20 and 40 cents of the euro, the 10,3% of the respondents, and more than 1 euro, the 14,1% of the answers.

Graph 15. Price range for a 1.5-liter water bottle with mineral-medicinal properties.

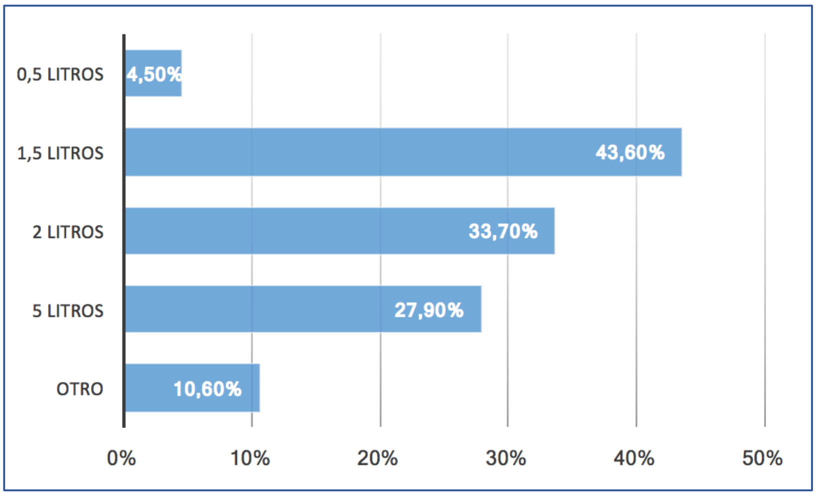


Source: prepared by the author based on previous analysis.

We have also asked consumers how much they would be willing to assume a higher cost for home water service. The average response was of 2,37, according to the Likert scale where 5 is very willing to pay more price and 1 is not willing at all. This assessment indicates that generally the surveyed public is not willing to pay a higher cost amount for contracting the home water service. On the other hand, we have contrasted the obtained answers by the age of the people who have gave more than 3 points to the assumption that they would assume a higher cost for the home water service. Thus, the greater predisposition to pay the home water service is reduced as the age increases. People between the ages of 18 and 24 would not pay for this service either. The persons who are most willing to assume a higher cost to delivering the water to their households are in the 25 to 34 year stretch.

The most preferable consumption size of the water container in household for the 43,6% of respondents is the 1.5-liter bottle (Graph 16). About one third of consumers also opt for 2 and 5-liter containers, 33,7 and 27,9% respectively. Only for 4.5% of respondents the most appropriate size of the bottles is 0.5 liters. The 10% of respondents indicated that they also use other formats on a regular basis. Among these there are the 8 and 20-liter containers, which are used for reasons of greater economy and less waste.

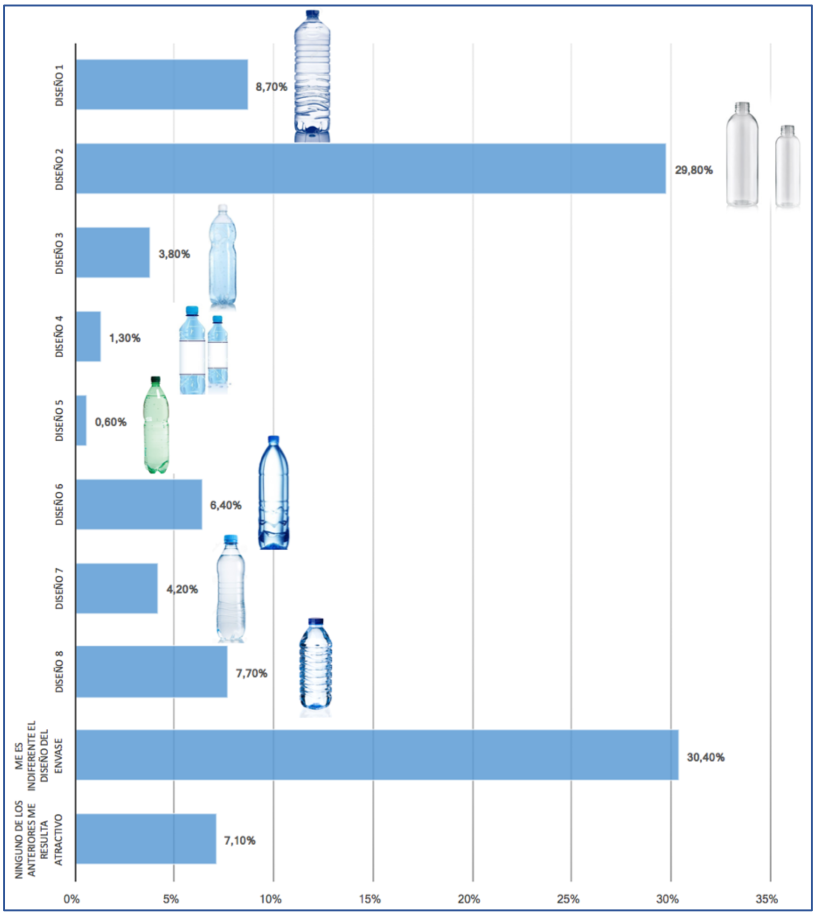
Graph 16. Bottled water container size.



Source: prepared by the author based on previous analysis.

Regarding the bottle design preferences, we asked the respondents which of the models of the plastic bottle presented in the questionnaire, were more attractive for their purchase, Graph 17.

Graph 17. The plastic packaging design.

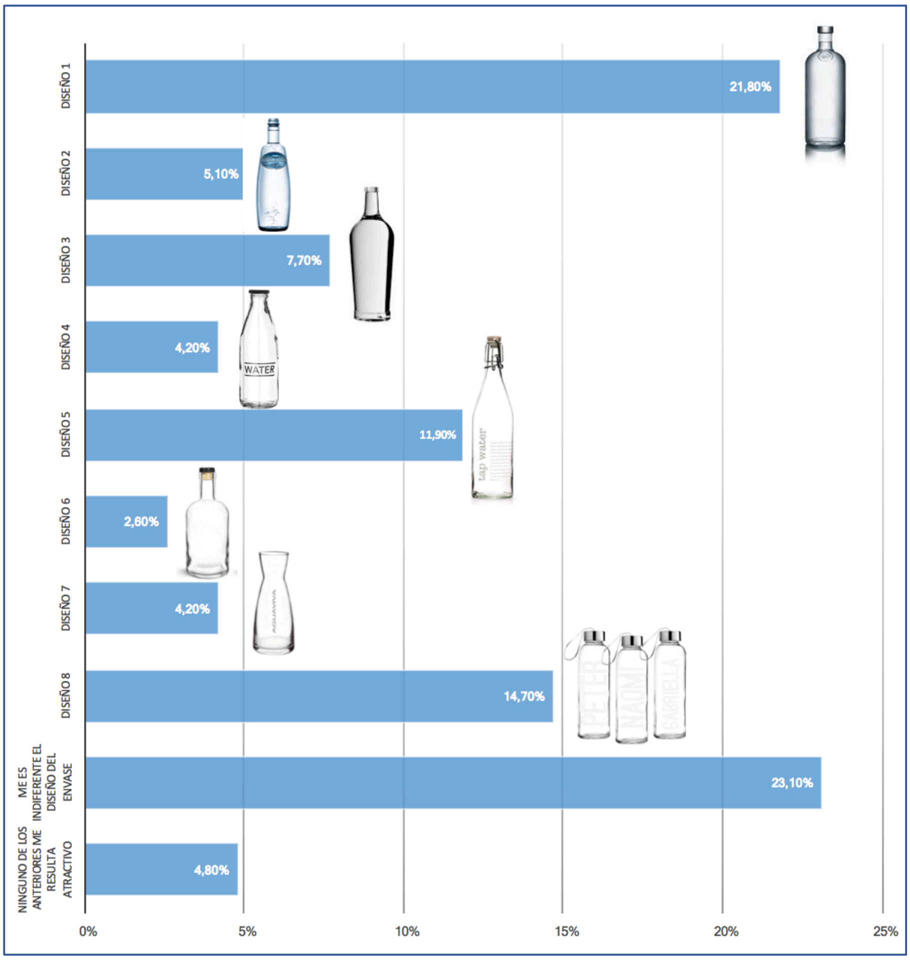


Source: prepared by the author based on previous analysis.

The most frequent response, the 30,4%, has been that consumers are indifferent to the packaging design. While the other 29,8%, the most attractive option was the model No. 2.

The same goes for the glass containers, Graph 18. The 23% of the respondents have answered that the aesthetics of the bottle is not of great interest for them. However, to another 21,8% the design No. 1 seemed the most attractive. The 14,7% chose the model No. 8 and the 11,9% the model No. 5.

Graph 18. The glass container design.

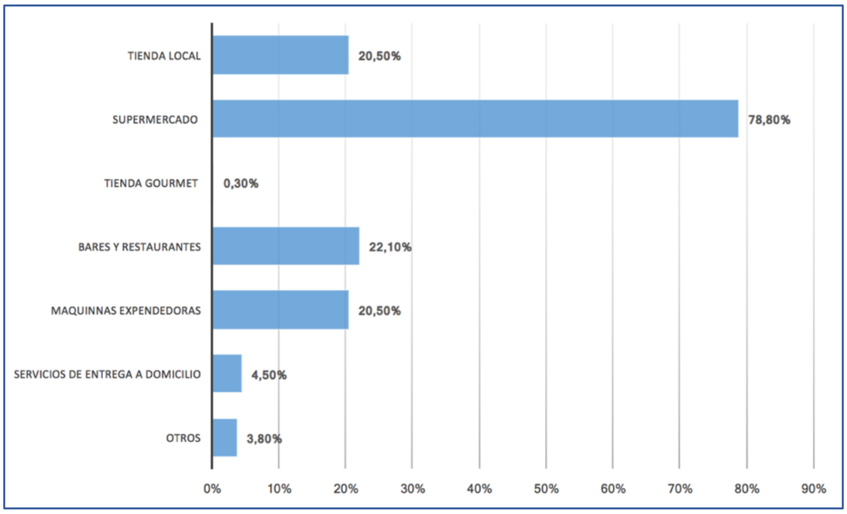


Source: prepared by the author based on previous analysis.

The most common way to buy bottled water for consumers is in supermarkets, the 78,8%, Graph 19. Around a fifth part of respondents also consume bottled water in bars and restaurants and go to local stores and vending machines to buy a bottle of water.

Only the 4,5% of the respondents have contracted the home water service and almost nobody buys it in the gourmet stores, only the 0,3%.

Graph 19. Bottled water purchasing methods.

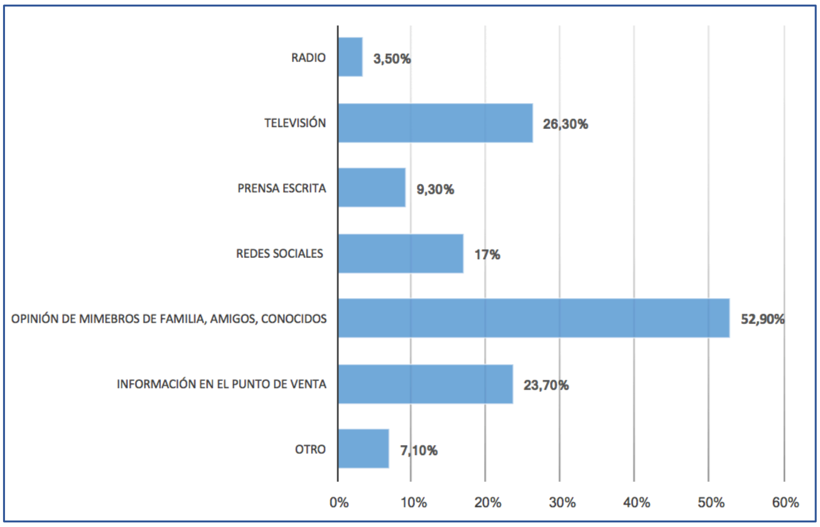


Source: prepared by the author based on previous analysis.

As for the mass media, more than the half of respondents, the 52,9%, indicate that the opinion of family members and friends is what the most counts when it comes to choosing bottled water, Graph 20. The 26,3% also pay attention to the television advertisements and the 23,7% pay attention to information at the point of sale. Social networks may also have certain influence on water promotion, since the 17% of respondents use them to find out about bottled water.

The least attractive communication methods for the surveyed public are the written press, with the 9,3% of the responses and the radio with the only 3,5%. Among other methods of information searching on bottled water there are Internet and specialized websites. This means that, although social networks do not play the decisive role in choosing the brand of bottled water, the Internet tool does gains the increasing influence.

Graph 20. Mass media methods.

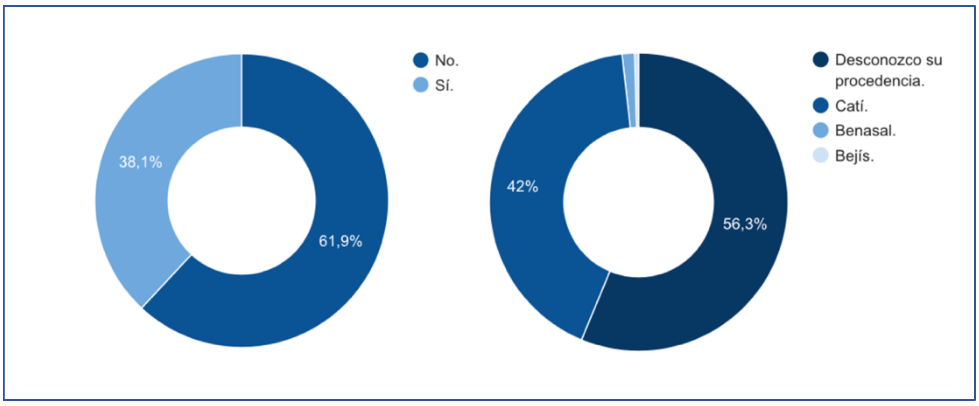


Source: prepared by the author based on previous analysis.

3.2.5 Recognition degree of Agua l'Avellà.

Regarding the degree of recognition of the brand studied, almost 10% of the respondents answered that they consume Agua l'Avellà in the usual way, Graph 11. On the other hand, most people are not as aware of the brand, the 61,5%, as the place of origin, 55,8%, Graph 21.

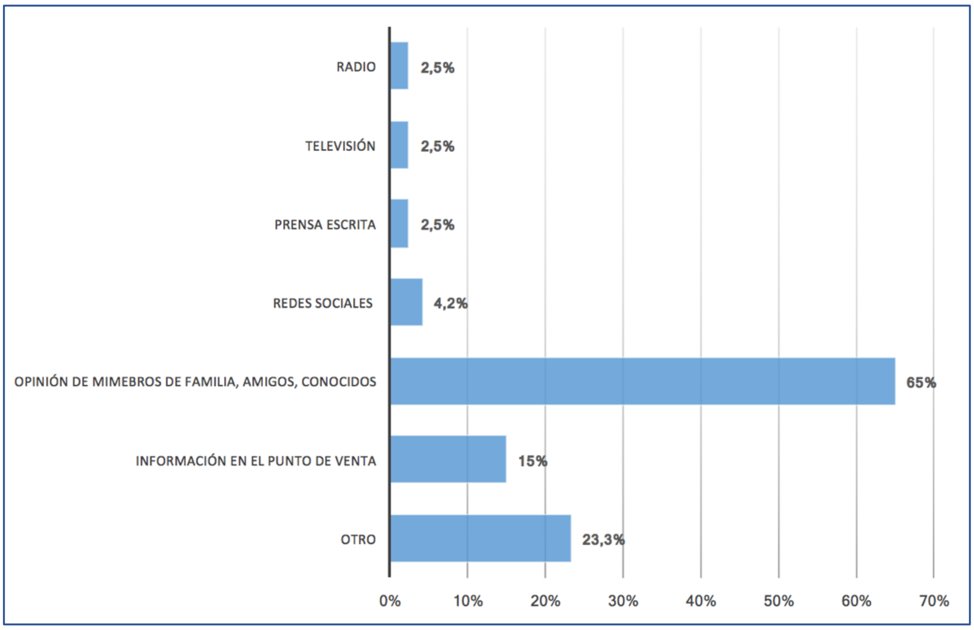
Graph 21. Recognition degree of the Agua l'Avellà brand and its origin.



Source: prepared by the author based on previous analysis.

Among the remaining 40% of people who do know Agua l'Avellà brand, most of them, the 65%, say they have known this brand by their relatives, friends or others known, Graph 22. Another 15% have known Agua l'Avellà at the point of sale. As for the "Other" response that has been chosen by about one-fifth of respondents who know the brand, tell to know the brand for the proximity reason. Some have indicated that they got with the brand through sponsorship of the Catí soccer team. Only 4% of people have known the brand through social networks.

Graph 22. Sources of information on Agua l'Avellà.



Source: prepared by the author based on previous analysis.

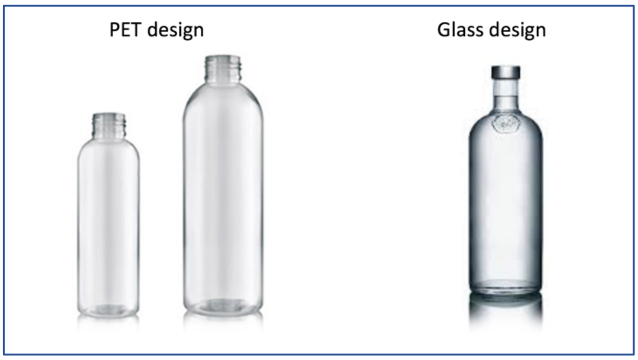
3.2.6 Main conclusions of the research.

- The vast majority of people agree with the argument about the importance of drinking of water, and many respondents use it more often than other types of beverages such as juices, soft drinks, teas or coffees. In addition, knowing the benefits of water for the body, the main reason for the bottled water consumption, after the need for hydration, is consumption as an element of healthy diet.
- The less frequent use they attribute to bottled water is for the disease prevention. However, consumers consider it as an added value if water has minerals and microelements that favor disease prevention.
- As we have already mentioned in the previous sections of the analysis, although the trend of water consumption is directed towards the consumption of bottled water, there is still a relatively high percentage of people who rather prefer tap water.
- More than half of respondents do not adhere to a particular water brand, which explains why many consumers opt for the varied brands consumption. On the other hand, the Cortes brand is the most consumed compared to other brands along with Bronchales and Bezoya. However, it is logical, since the most popular method of buying is in supermarkets and hypermarkets and these brands that have a strong presence in these distribution points.
- When choosing bottled water, the taste of water, its quality, and the price are the purchase decision most influencing factors. In addition, the best value for money is what is most sought by the consumers.
- Consumers also pay attention to the chemical composition of bottled water and consider it as an added value if the water has mineral - medicinal properties.
- We cannot draw too valuable conclusions about the price range that the surveyed persons would pay for the water with the mineral - medicinal properties, since the answers are divided into very similar blocks. What is clear is that they will not buy it for a too low price (0,20€- 0,40€), nor too high, more than 1€. In this way, the price must stay in the range of between 0,40 and 1 euro.
- The interviewed public is also not very willing to assume a higher cost for the home supply water service. The people who would assume this cost are in the age group between 25 and 34 years. We consider that the reason for this is the changing period of these people's lives. New responsibilities of working life, the stage of the creation of the family and the appearance of children may make these people assume greater cost of home water service to devote the released time for other tasks of their daily and

professional life. As life begins to stabilize, people are no longer so willing to take on this additional cost and prefer to turn to other methods of bottled water consumption.

- The surveyed consumers chose the 1.5-liter bottle as the size of the most comfortable water container for the home use. The larger formats such as 2-liter and 5-liter also seem appropriate.
- The results about the packaging design are, in certain way, ambiguous. Most of the responses indicate that consumers are indifferent to the design of the water container and also do not consider it as a decisive buying factor. However, it is not quite so, since the remaining 70% of people did choose one of the offered designs. Therefore, we can assume that the packaging design does have a certain degree of importance to consumers. Thus, among the proposed formats, these are that have been most attractive for respondents:

Image 10. Favorite packaging designs.



Source: prepared by the author based on previous analysis.

- As we mentioned before, the usual method of buying bottled water is in supermarket and hypermarket. The consumers also use local store and vending machines and consume the bottled water in bars and restaurants.
- The most influential methods of communication are the buzz marketing, followed by television advertising and point-of-sale information. The internet tool and social networks are becoming increasingly important.
- Almost 10% of respondents consume Agua l'Avellà on a regular basis, however most of them come from the town where the spring is located.
- The majority of the surveyed population are not aware of both the Agua de l'Avellà brand nor its origin.
- Among the people who do know Agua l'Avellà brand consider the opinion of their relatives and friends as the main source they have known this brand.

As for the most important conclusions for Agua l'Avellà we can highlight that:

Product:

- Taste, quality and price are the most important purchase factors.
- There are chances of winning a larger number of customers, as they are not too loyal to the water brand. However, we must also take care of the current clients for the same reason.
- At first sight, the bottle design is not very important, so there are possibilities to choose a format that best suits the objectives and needs of the company.
- The most demanded format for home consumption is bottles of 1.5 liters or larger.

Price:

- Neither too economical nor too high.
- Respondents, in general, are not willing to assume a higher cost for home water service. However, it can be focused on people between 25 and 34 years.

Place:

- Supermarkets and hypermarkets are discarded due the company's available resources.
- Bars and restaurants.
- Local stores.
- Vending machines.

Promotion:

- The most powerful method of brand promotion is the opinion of family and friends and the use of social networks and the Internet itself. Also, the use of the point-of-sale advertising may have certain influence. The television tool is discarded due the available resources of the company.
- We believe that it is necessary to focus the product promotion on the customers outside the municipality of water origin, since the inhabitants of Catí consume Agua de l'Avellà for reasons of closeness and in this case no promotion is needed.

II. SITUATION DIAGNOSIS

1. SWOT ANALYSIS

1.1 Strengths

- Total support by the Town Hall. Being totally dependent on the municipality of Catí, the additional or unforeseen expenses can be assumed by the Town Hall budget without a considerable risk for the plant activity. Besides, the bottling plant can afford, at any given time, to "experiment" with promotional activities, relying on support from the Town Hall.
- Commitment to the natural environment and concern for the health and well-being of consumers is another of the strengths we can highlight after the company internal analysis. The actions of the company, which corporate culture is based on values of responsibility and commitment, are better accepted by the target public.
- Absorption of personnel expenses by the Town Hall budget.
- The water properties of l'Avellà Fountain have real health benefits, which are confirmed by several investigations and empirical evidence of the locality's history. That can become a considerable competitive advantage when designing marketing strategy.

1.2 Weaknesses

- The obsolete machinery limits the production by only two packaging two formats, which does not allow the company to cover a wider range of the target public. Moreover, low bottling volumes supply increasingly smaller market share.
- Unexploited plant space.
- Absence of benefits. Although the bottling plant has a low turnover level, it is barely enough to cover the costs of and water commercializing. As a result, the company is very limited in the improvement strategies implementation.
- Limited distribution area. Agua l'Avellà is distributed over a very limited territory, which limits the possibilities of brand positioning and potential benefits.
- Limited number of distributors prevents the company from expanding demand and chances of gaining greater market share. In addition, no control is made as where and how the mineral water is distributed after leaving the plant.
- Absence of communication activities. The company cannot pretend to increase the volume of billing if its target public does not know the existence of the brand. Besides,

taking into account the level of competition, it is essential to constantly remind consumers about the brand and the benefits of mineral water consumption.

- The basic packaging design does not allow the product to stand out from the competition and does not add additional value to the product.
- Absence of brand positioning within the consumer's mind. In fact, most consumers are unaware of both the product and its source.

1.3 Opportunities

- The bottling plant, being a part of the natural and cultural heritage, has considerable opportunities to promote and develop the tourism offer of this area. Furthermore, it is possible to increase the attractiveness of the municipality through the marketing actions by participating in the project of the Tourist Excellence Plan of the area of Alto Maestrazgo.
- Changing the lifestyle of consumers towards healthier habits and greater popularization of sports practice may be a good opportunity to promote a healthy lifestyle by consuming mineral water with mineral - medicinal properties.
- There are great opportunities for distribution. It can expand both the target market and the distribution area through the public auction tools offered by various entities to consume bottled water in their organizations.
- The "immunity" of the bottled water sector in the face of economic fluctuations allows us to plan positive expectations for dynamic growth over the next few years.
- Support from government bodies. In each Autonomous Community, there is a series of subsidies that promote the development of the member municipalities and help them to cope more easily with the expenses derived from day-to-day activities. We consider that as an opportunity to raise additional funding for future projects of improving the activity of the bottler and of the entire area.

1.4 Threats

- Since the main costs of the bottling process are the packaging, the cap and the label, which prices are not controlled by the bottling company, the final prices are determined by these costs. This can pose a significant threat, as the suppliers bargaining power is quite high in terms of price and conditions.
- The latest trend in water consumption today is the process of water treatment by reverse osmosis, a technological advance that is becoming increasingly popular in

Spanish households. This can pose a major threat, as it has important economic and environmental advantages (absence of water containers).

- Although the trend of water consumption is directed towards increasing consumption of bottled water and purified water through the osmosis system, there are still a considerable percentage of people who continue consuming the tap water in the usual way.
- The bottled water sector is characterized by strong competition. Companies have to be constantly present in the consumer mind by offering a product that cannot be differentiated by itself.

Table 8. Overview of the SWOT analysis.

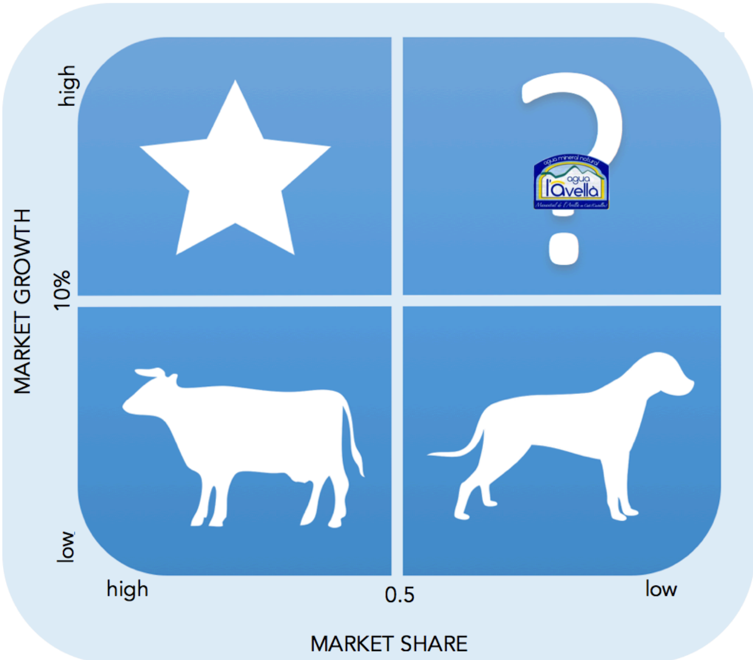
STRENGTHS	WEAKNESSES
1. Total support from the Catí Town Hall. 2. Commitment to the natural environment and concern for the health and well-being of consumers. 3. Absorption of personnel expenses by the Town Hall budget. 4. Mineral - medicinal properties of the Agua l'Avellà water.	1. Obsolete equipment and limitation of production. 2. Underutilization of plant space. 3. Absence of benefits. 4. Limited distribution area. 5. Limited number of distributors. 6. Absence of communication activities. 7. Basic packaging design of that is lost among the competition. 8. Absence of brand positioning within the consumer's mind.
OPPORTUNITIES	**THREATS**
1. High possibilities of the development of the cultural and natural environment of the area and the increase of the tourist demand. 2. Boosting a healthier style among consumers. 3. Extension of distribution channels in the Castellón Province. 4. Positive perspectives on the sector growth. 5. Support to municipalities by governmental grants and subsidies.	1. High supplier power of supplies prices and commercial conditions. 2. Strong rivalry within the sector. 3. Greater tendency of water consumption treated by the reverse osmosis system. 4. Still high percentage of tap water regular consumption.

Source: prepared by the author based on previous analysis.

2. BOSTON CONSULTING GROUP MATRIX

From the perspective of the Boston Consulting Group model, which places the product according to the level of market growth and the product market share, we have concluded that Agua l'Avellà is located in the Question Marks quadrant (Figure 9). Later, this diagnosis will facilitate the process of establishing the marketing strategies.

Figure 9. Agua de l'Avellà BCG matrix.



Source: prepared by the author based on BCG matrix model.

Regarding the axis of the market growth rate, according to the standards of the BCG agency, the growth rate of 10% is considered as a starting point. That is to say, if the market grows at a slower pace than this index, then the sector is classified as a low growth market. By contrast, if the market has a growth rate greater than 10%, it is a high growing market.

To calculate the sector growth rate, we have taken as reference the amount of the bottled water volume in the territory of the Valencian Community that we described in section 3.1. Sector evolution (see page 46). Therefore, comparing the evolution of production volume during the year 2015 to 2014, we obtained a growth rate of 16.42%.

On the other hand, the horizontal axis measures the market share of each business unit or a particular brand. In this case, we consider it unnecessary to make any calculations to determine the market share of Agua de l'Avellà, since basing on previous analyzes of the company's sales and comparing its current positioning among competitors, we can state that the market share of Agua de l'Avellà is extremely small.

Taking into account these two parameters, the Agua l'Avellà brand is placed in the quadrant of the Question Marks. That means that, although the market grows at high rates and offers opportunities to obtain greater profits, Agua l'Avellà has practically no participation in this market.

So, the situation of the company is unstable. If the marketing strategy is not properly established to take advantage of the positive evolution trends of the market and to achieve to move to the Star Product quadrant, the company can move to the Dog Product quadrant, which will mean even greater losses for the company.

III. DEFINITION OF PRODUCT – MARKET.

1. SEGMENTATION.

Within the mineral bottled water market, we identify two macro – segments that we can direct the business activity of the bottling plant to. These are final consumers and organizational consumers. Now, we will proceed to the more detailed segmentation of each of these two macro – segments and to the identification of the target audience that the marketing MIX plan will be focused on.

We consider this point as of the most important of this project, since the segmentation allows us to adapt the offer of Agua l'Avellà to the current market trends and adapt the marketing activities to the consumer needs.

The entire process of segmentation is based on external analysis of the company and the market research exposed in the previous sections.

1.1 Segment identification.

1.1.1 Final consumer segmentation criteria.

To identify the target audience within the final consumer market, we will rely primarily on three segmentation criteria, according to Kotler and Keller (2012).

1.1.1.1 Purchase and consumption behavior.

We will focus on consumers that look for a quality healthy product at a reasonable price (value for money), which favors health care in addition to satisfying the primary need for hydration.

In addition to that, our target customer is the consumer who values the taste and the quality of the water and considers it as a favorable point if the mineral water has mineral - medicinal properties.

On the other hand, we are interested in the consumers who consume the mineral water daily during different types of activities of their daily life either at home or outside (bars and restaurants, work place/studies).

1.1.1.2 Personal characteristics.

Although this criteria type is considered as the secondary segmentation criterion, for us it has a high degree of relevance, since it describes the profile of the consumer in the more concrete way. That allows us a greater degree of visualization and approach to our target customer.

- Demographic characteristics: taking into account the research results, we are interested in segmenting the potential audience according to the criterion of age and family life cycle (Table 9), which we have taken as the reference to determine our target audience.
    - Thus, we can distinguish three groups of consumers. The first group, people between 18 and 24, students, are young single people who are entering the stage of adult life, but without assuming too many responsibilities in their current life. However, at the present time it is not the audience that we are interested in.
    - The second segmented group, people between 25 and 34 years old, young families, is characterized by staying in the period of great life's changes. As we mentioned before, these people begin to assume new responsibilities in their working life and enter the stage of the creation of the family.
    - The last group are people between 35 and older years old, are in the stable life stage. These people are already consolidated both in their private and professional lives.
- Socioeconomic characteristics: we will target people whose average household income is between 1.500 and 2.000 euros.
- Geographical criteria: for reasons of internal resources availability of the company, we will focus on the consumer segment residing in the Province of Castellón.

1.1.1.3. Psychographic characteristics.

Under this criterion, we are interested in people who have a healthy and active lifestyle, practicing sports and maintaining a healthy and balanced diet. People, for who the mineral water consumption has a significant weight in their lives.

1.1.2 Organizational consumer segmentation criteria.

Regarding the organizational consumer segmentation criteria, we will focus the public and private entities located in the province of Castellón area; and that are pursuing a bottled water supply service for their employees and/or customers.

1.2 Target market selection.

Table 9. Agua de l'Avellà target market.

Final Consumer		
Product	Segment	
Agua l'Avellà	Yong families 25 – 34 aged	Consolidated 35 – 60 aged
<u>Characteristics:</u> - People with an active and healthy lifestyle - Practice sports - Take care of health and well-being - Looking for a quality product - Looking for value for money - Appreciate the fact that water has mineral-medicinal properties - They reside in the province Castellón area		

Organizational Consumer			
Product	Segment		
Agua l'Avellà	Public entities (local government)	Private companies	Bars and restaurants
<u>Characteristics:</u> - They operate in the territory of the province Castellón - Need to supply mineral bottled water for employees/customers			

Source: prepared by the author based on previous analysis.

2. SEGMENTATION STRATEGY.

Several segments expansion strategy, according to Kotler at al. (2006), is the strategy that Agua l'Avellà will follow to target the target audience. By offering the same product type, which is Agua l'Avellà bottled mineral water, to all the segments described above in order to consolidate the product on the market and obtain a strong position within the consumer's mind.

At a later stage, the developing of other specific products types for each segment could be considered.

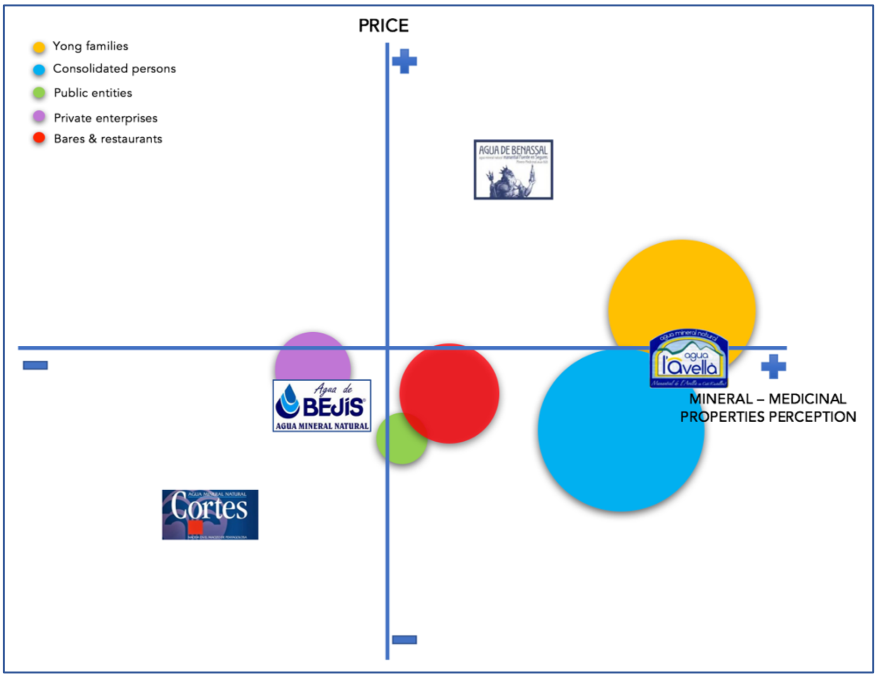
On the other hand, each of these segments will have a differentiated approach with reference to marketing activities in terms of communication, distribution and prices, as they have characteristics that require specific treatment.

3. POSITIONING.

When talking about the positioning we refer to the perception of Agua de l'Avellà by consumers. The positioning strategy should be based on the competitive advantage we have identified through the prior analysis of both the company and its product as well as its competitors. Thus, the mineral - medicinal qualities of Agua de l'Avellà and its positive effects on the skin and the organism is clearly its distinctive aspect compared to the direct competitors, and that this brand will be stood out by the target market for.

As we have already mentioned in the competitor analysis section (see page 35), it is impossible to draw a positioning map taking as a reference the different competitor characteristics and try to portray them in a homogeneous way in a single graph. All of our direct competitors have a different position to Agua l'Avellà, based on their competitive advantages. Therefore, we consider more logical to make a perception map, based on those relevant aspects to our water brand and to see the positions that our competitors occupy with respect to these criteria (Figure 10).

Figure 10. Agua l'Avellà perception map.



Source: prepared by the author based on previous analysis.

Furthermore, we have decided to place the five identified target segments in the positioning map to visualize the perception that each of them have towards the following positioning variables. The size of each circle represents the size of each segment. In this way, we can also see which competitor brands are approaching to a greater or lesser extent the target audiences of Agua de l'Avellà.

However, the desired positioning by the company is not the same as the real image of the brand that is perceived by consumers. Therefore, it is important to design marketing strategies and marketing mix activities that will help to achieve the positioning raised in this marketing plan taking as a starting point the competitive advantage.

IV. MARKETING OBJECTIVES.

As we had already mentioned from the beginning, this project is a part of the Tourism Excellence Plan for the Intermunicipal Association of Catí, Culla, Benassal and Ares del Maestrat. Ant its main goal is to improve the competitiveness of these tourist destinations. This Marketing Plan has a series of economic and marketing objectives focused on the Catí bottling plant operation improvement, that altogether are aimed at increasing the tourist attraction of both the municipality of Catí and the whole area of Alto Maestrazgo.

Down below, we describe the objectives for the period 2017 – 2018 in more detailed way, based on the internal analysis of the company and the market research described in the previous sections.

1. ECONOMIC OBJECTIVES.

The main economic objective established for the bottling plant of Catí is to increase the plant profitability:

1. To cover the expenses generated by the bottling plant, achieving a profit margin of 30% on the accumulated costs during the year.
2. To increase the volume of bottled water by reaching 500.000 liters.
3. To increase sales turnover by 250% compared to the year 2015.

2. MARKETING OBJECTIVES.

Regarding the marketing objectives, these are related to the improvement of the Agua l'Avellà brand positioning and increase of its notoriety. These goals are subdivided into a series of more concrete objectives:

1. To increase the degree of brand recognition for the next questionnaire. To achieve 85% of "Yes" to the question "Do you know the Agua l'Avellà brand?"
2. To increase the degree of knowledge of the origin of the mineral water of l'Avellà Source. To achieve 90% of hits for the question "Do you know the origin of Agua l'Avellà?".
3. To improve the positioning in Internet, obtaining 1.000 "Likes" on the Agua l'Avellà corporate profile in Facebook.
4. To increase by 90% the number of tourists registered by the Tourism Office of Catí during the period of holidays with respect to 2016.

With respect to the qualitative objectives, it is intended:

1. To Increase the target audience, covering new segments.
2. To expand distribution channels, expanding the range of distributors.
3. To position the brand in the mind of the consumer as a mineral water with mineral – medicinal properties that is consumed by people who want to maintain a healthy and sporty lifestyle.
4. To increase customer loyalty.

Table 10. Main objectives overview.

OBJETIVE		INDICATOR
Quantitative objectives (2017 – 2018)		
O1	Improve the business profitability.	Benefit margin of 30%
O2	Increase the volume of bottled liters.	500.000 liters
O3	Increase the sales turnover.	250% with respect to 2015
O4	Increase brand awareness.	85% de "Yes, I know l'Avellà brand"
O5	Increase the degree of knowledge of the brand provenance.	90% of hits
O6	Improve Internet positioning	1.000 "Likes" in Facebook
O7	Increase tourist flow during the vacation period.	90% of registries more
Qualitative objectives (2017 – 2018)		
O8	Expand to new market segments.	
O9	Enrich the network of distributors.	
O10	Position as a water with mineral - medicinal properties for the healthy and sporty lifestyle.	
O11	Increase customer loyalty.	

Source: prepared by the author based on previous analysis.

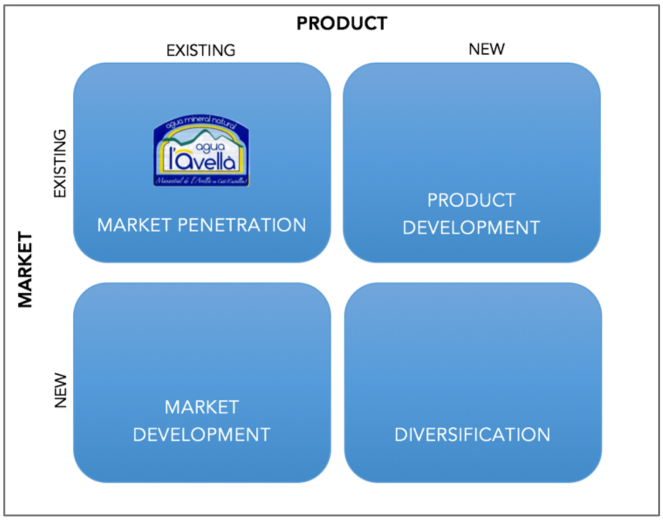
V. MARKETING STRATEGIES.

At this point, we will proceed to establish the marketing strategies that we believe should be carried out in order to take advantage of the competitive advantage of the company and achieve the objectives set, always based on the analysis previously made.

1. FUTURE GROWTH STRATEGY.

According to Ansoff's growth and diversification matrix, Figure 11, the best option for Agua l'Avellà is to follow the strategy of market penetration. This strategy is aimed at increasing the market share in the bottled mineral water sector by commercializing the existing product, which is the mineral water of l'Avellà spring. To do so, actions will be carried out focused on increasing the number of current customers and reaching potential customers.

Figure 11. Agua l'Avellà future growth strategy.



Source: prepared by the author based on previous analysis.

2. COMPETITIVE STRATEGY.

Taking into account the availability of the company's resources and its current market share, the best option according to Kotler's competitive strategies is to adapt the market follower strategy.

The company does not have enough market share to act aggressively trying to rebut a piece of cake to its competitors. The main objective at the present time is to consolidate in the existing market and to coexist with the other agents, observing their activities and trying to differentiate the Agua l'Avellà brand among the rivals.

3. COMPETITIVE ADVANTAGE STRATEGY.

Therefore, according to Porter's strategies, the differentiation strategy is the one that will allow Agua l'Avellà to stand out among its competitors and achieve the established goals in the most appropriate way.

Making use of the competitive advantage based on the Agua l'Avellà's mineral properties, we will create a product that is perceived as unique by our target market. Through the packaging design, the brand image and positioning we pretend to convey to current and potential consumers that Agua l'Avellà is a product with great added value.

VI. MARKETING MIX DECISIONS.

In this section, we will detail the activities plan related to the four main aspects of marketing MIX, which are product, price, place and promotion. Altogether they are aimed at achieving the objectives set for the period 2017 - 2018 and improving the competitive position of the brand. This action plan is the implementation of the previously determined competitive strategies which, besides, will allow to increase the competitive advantage of Agua l'Avellà and differentiate itself before its target market and the competitors.

First of all, we propose Table 11 that visually summarizes all the proposed activities linking them to the objectives that are intended to achieve.

Table 11. Action plan overview.

ACTION		LINKED OBJECTIVES
A1	Acquire new packaging line.	**O1:** Achieve a profit margin of 30% of the total income. **O2:** Increase the volume of bottled liters up to 500.000 liters. **O3:** Increase sales by 250% compared to 2015.
A2	Change packaging.	**O3:** Increase sales by 250% compared to 2015. **O4:** Achieve 85% of "Yes" to the question "Do you know the Agua l'Avellà brand?" **O8:** Expand to new market segments. **O10:** Position as a water with mineral - medicinal properties for the healthy and sporty lifestyle.
A3	Reposition the brand and renew the logo.	**O4:** Achieve 85% of "Yes" to the question "Do you know the Agua l'Avellà brand?" **O5:** Achieve 90% of the correct answers to the question about the origin of the brand.
A4	Renew the label.	**O4:** Achieve 85% of "Yes" to the question "Do you know the Agua l'Avellà brand?" **O5:** Achieve 90% of the correct answers to the question about the origin of the brand.
A5	Set the sales price.	**O1:** Achieve a profit margin of 30% of the total income. **O3:** Increase sales by 250% compared to 2015.
A6	Adapt the strategy of price discrimination.	**O1:** Achieve a profit margin of 30% of the total income. **O3:** Increase sales by 250% compared to 2015.
A7	Provide the new glass packaging format for exclusive consumption.	**O4:** Achieve 85% of "Yes" to the question "Do you know the Agua l'Avellà brand?" **O5:** Achieve 90% of the correct answers to the question about the origin of the brand. **O10:** Position as a water with mineral - medicinal properties for the healthy and sporty lifestyle.
A8	Reach more distributors of the Horeca channel.	**O8:** Expand to new market segments. **O9:** Enrich the distributors network.

A9	Reach agreements with local distributors of the province municipalities.	**O8:** Expand to new market segments. **O9:** Enrich the distributors network.
A10	Reach agreements with Aguacas.	**O9:** Enrich the distributors network.
A11	Reach agreements with the Provincial Council of Castellón and other local authorities.	**O9:** Enrich the distributors network.
A12	Inbound marketing: web domain and blog creation.	**O4:** Achieve 85% of "Yes" to the question "Do you know the Agua l'Avellà brand?" **O5:** Achieve 90% of the correct answers to the question about the origin of the brand. **O11:** Increase customer loyalty.
A13	Enrich the content and activity frequency of the corporate profile on Facebook.	**O4:** Achieve 85% of "Yes" to the question "Do you know the Agua l'Avellà brand?" **O5:** Achieve 90% of the correct answers to the question about the origin of the brand. **O6:** Get 1.000 likes on Facebook. **O11:** Increase customer loyalty.
A14	Hire the advertising service on Facebook.	**O4:** Achieve 85% of "Yes" to the question "Do you know the Agua l'Avellà brand?" **O5:** Achieve 90% of the correct answers to the question about the origin of the brand. **O6:** Get 1.000 likes on Facebook. **O8:** Expand to new market segments. **O10:** Position as a water with mineral – medicinal properties for the healthy and sporty lifestyle. **O11:** Increase customer loyalty.
A15	Create digital advertising banners.	**O4:** Achieve 85% of "Yes" to the question "Do you know the Agua l'Avellà brand?" **O5:** Achieve 90% of the correct answers to the question about the origin of the brand. **O10:** Position as a water with mineral - medicinal properties for the healthy and sporty lifestyle. **O11:** Increase customer loyalty.
A16	Boost the sporting events sponsorship.	**O4:** Achieve 85% of "Yes" to the question "Do you know the Agua l'Avellà brand?" **O10:** Position as a water with mineral - medicinal properties for the healthy and sporty lifestyle. **O11:** Increase customer loyalty.
A17	Joint promotion with Catí cheeses brand.	**O3:** Increase sales by 250% compared to 2015. **O5:** Achieve 90% of the correct answers to the question about the origin of the brand.
A18	Discount coupons as sales promotion.	**O3:** Increase sales by 250% compared to 2015. **O8:** Expand to new market segments.
A19	Contest 1: "Win a day at the Balneario l'Avellà"	**O7:** Increase tourist flow during the vacation period by 90% compared to the statistics in 2016. **O11:** Increase customer loyalty.
A20	Contest 2: "Fun recycling fair".	**O7:** Increase tourist flow during the vacation period by 90% compared to the statistics in 2016. **O11:** Increase customer loyalty.
A21	Water interpretation center.	**O7:** Increase tourist flow during the vacation period by 90% compared to the statistics in 2016. **O11:** Increase customer loyalty.

Source: prepared by the author based on previous analysis.

1. PRODUCT DECISIONS.

At the level of product decisions, we will focus on the aspects that are related to the increased product, according the Kotler's classification, which provides consumers with added value, in addition to the perception of the product as a basic commodity.

As for the aspects related to the core benefits of the product, it will keep what is the product itself, the mineral water, without any modification of its composition. By contrast, we will try to emphasize the mineral - medicinal properties of Agua l'Avellà both through the product attributes and through the promotion activities.

Action 1. Acquire new packaging line.

Linked objectives	**O1:** Achieve a profit margin of 30% of the total income. **O2:** Increase the volume of bottled liters up to 500.000 liters. **O3:** Increase sales by 250% compared to 2015.
Linked budget	91.600 €
Timeline	JUL – AUG, 2017

To meet the objective of the packaging volume, the bottling plant must have the appropriate equipment to adapt the facilities to new packaging requirements and to be able to bottle different packaging formats in the most flexible and efficient way.

For this reason, it is planned an investment of almost 92,000 € to improve the plant facilities, that will allow the revitalization of production capacity and enable bottling of water in other packaging formats. The Table 12 summarizes what the new packaging line will include.

Table 12. New packaging line.

Machinery characteristics	Cost
Automatic filling monobloc of 4 dispensers for water packaging in formats between 0.2 and 5 liters	46.000€
Automatic caps feeding with vibrator	
Caps storage + capping system	
Capping device with aluminum capsules	4.800€
Standard tagging equipment for label placement	13.600€
Batch and expiration marker equipment	2.300€
Automatic squeegee	24.000€
TOTAL INVESTMENT	91.600€

Source: prepared by the author based on previous analysis.

As we have already mentioned in the section on the financial resources analysis (see page 14), it is expected that the cost of this project will be financed through the Plan Castelló 135 of the Provincial Council of Castellón.

Action 2. Change packaging.

Linked objectives	**O3:** Increase sales by 250% compared to 2015. **O4:** Achieve 85% of "Yes" to the question "Do you know the Agua l'Avellà brand?" **O8:** Expand to new market segments. **O10:** Position as a water with mineral - medicinal properties for the healthy and sporty lifestyle.
Linked budget	164.350 €
Timeline	JUL – AUG, 2017

According to market research results on consumer opinion and preferences regarding packaging design, we suggest making a number of changes related to the packaging format and aesthetics.

As we mentioned before, the packaging, although not involving a decisive weight on the purchase decision, is an aspect that will attract the attention of the customer and stand out our product against the competitors offer.

We propose to commercialize the mineral water in two types of containers, plastic containers and glass containers, which design is based on the results of the market research.

There will be main formats of 0.5, 1.5 and 5 liters, which are the most demanded by the target market. At this time, there is no raised question of a greater differentiation of the volume formats of the packages, for reasons of the cost savings.

The new plastic container, as well as the existing packaging, is made of PET material and is certified by the green dot as an environmentally friendly container that facilitates the recycling process.

In the following image (Image 11) we offer a prototype of the plastic packaging, provided by Jusava, the packaging supplier located in Seville. Initially, we decided to use standard containers design that the supplier has in its product range, which do not require special molding. This will allow us to save additional costs and see the consumer reaction to the new packaging design.

As for the design of the glass container, it will also be based on the research results, proposing the following prototype in 1-liter format. This bottle is the "select bottle" design suggested for a more exclusive consumption such as in restaurants or in the Balneario de l'Avellà.

Image 11. New packaging design.

Source: prepared by the author based on previous analysis and Juvasa.com.

Additionally, we suggest a differentiating aspect to the packaging design that is the golden cap, Image 12. This detail will relate the product, albeit indirectly, to the description of Agua l'Avellà as "Drinking gold of l'Avellà".

Image 12. Golden cap.

Source: Juvasa.com.

Action 3. Reposition the brand and renew the logo.

Linked objectives	**O4:** Achieve 85% of "Yes" to the question "Do you know the Agua l'Avellà brand?" **O5:** Achieve 90% of the correct answers to the question about the origin of the brand.
Licked budget	150 €
Timeline	JUL – AUG, 2017

The main objective is to bring to the brand Agua l'Avellà the added value that associates water with the quality guarantee and good taste of pure water. As one of the decisive aspects of the mineral water purchase quality and taste, we want the customer to perceive these aspects through the l'Avellà brand, thus facilitating the process of the purchase decision, when recognizing the brand name.

In addition to that, the brand has to relate the water to the place of its origin. All these aspects can be transmitted through the logo or the brand image. Through the logo, we have to connect consumers emotionally with the Agua l'Avellà brand, in addition to providing the mere product identification.

The name of the brand remains as "Agua l'Avellà", preserving all phonetic aspects and spelling in order not to confuse current consumers and maintain the company culture and.

The Image 13 represents the renewed logo sample of the Agua l'Avellà brand that we have designed. The image of the Source reflects the tradition of culture and the company essence adapted to current market trends, while taking care of the history and values of the municipality.

Image 13. The renewed logo of Agua l'Avellà.

Source: prepared by the author based on previous analysis.

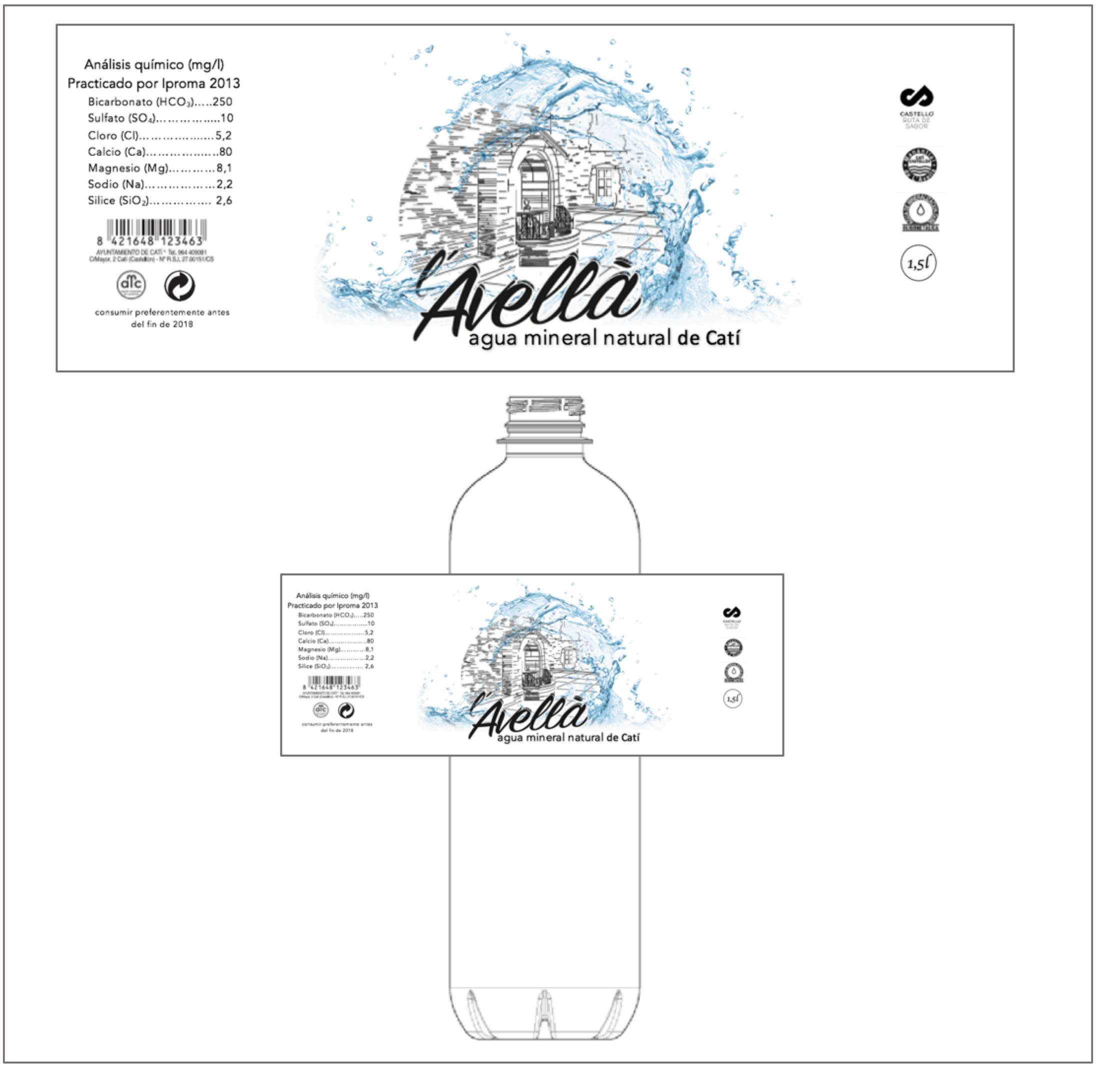
Action 4. Renew the label.

Linked objectives	**O4:** Achieve 85% of "Yes" to the question “Do you know the Agua l'Avellà brand?” **O5:** Achieve 90% of the correct answers to the question about the origin of the brand.
Licked budget	112 €
Timeline	JUL – AUG, 2017

This action is directly related to the objectives of the brand, which are to provide added value to the product and relate it to the spring source of Catí.

The label design must care the formal aspects required by the legislation. Therefore, under this criterion, the chemical composition of the water, date of packaging, preferential consumption, the manufacturer, the origin of the spring, the packaging material, etc. are maintained.

Image 14. The renewed label of Agua l’Avellà.



Source: prepared by the author based on previous analysis.

On the other hand, we suggest adding complementary aspects that would add value to both the product and the brand:

- The green dot indicates that the product meets all requirements for proper recycling of the product.
- The logo of the "Ruta de Sabores" program provides quality assurance and associates the product with the province of Castellón.
- Give greater prominence to the origin of spring to associate the product with the municipality of Catí.

Herewith we adjust a table, detailing all production costs and final sales prices (Table 13). As we do not have the exact data on the prices and conditions of sale of each supplier, we have made a hypothetical calculation, taking into account the offers of various suppliers available on the Internet.

Table 13. Calculation of the cost of l'Avellà packaging.

PLASTIC BOTTLE (PET)			
	0,5L bottle	1,5L bottle	5L bottle
Container	0,10 €	0,15 €	0,20 €
Cap	0,02 €	0,02 €	0,03 €
Self-adhesive label	0,10 €	0,10 €	0,19 €
Total cost	0,22 €	0,27 €	0,42 €
Target production of 500.000 liters	10%	40%	20%
Total producción (litros)	50.000	200.000	100.000
Total prodution (bottles)	100.000	133.333	20.000
Total production cost	22.000,00 €	36.000,00 €	8.400,00 €
Total production cost per month	1.833,33 €	3.000,00 €	700,00 €
Profit margin 40%	0,09 €	0,11 €	0,17 €
Sales price	0,31 €	0,38 €	0,59 €
Expected sales	30.800,00 €	50.400,00 €	11.760,00 €
Total expected sales	92.960,00 €		
Total expected benefit	26.560,00 €		

GLASS BOTTLES	
	1L bottle
Container	0,54 €
Golden aluminum plug	0,013 €
Label	0,10 €
Total cost	0,65 €
Target production of 500.000 liters	30%
Total prodution (liters)	150.000
Total prodution (bottles)	150.000
Total production cost	97.950,00 €
Total production cost per month	8.162,50 €
Profit margin 50%	0,33 €
Sales price	0,98 €
Total expected sales	146.925,00 €
Total expected benefit	48.975,00 €

Source: prepared by the author based on the offers of V. Juvasa, S.L., Repli, S.L. And Tapas y Convases Rioja, S.L.

2. PRICE DECISIONS.

In order to establish the final price of water we have to take into account several aspects related to both the costs of production and the perception of the product by the target market.

Action 5. Set the sales price.

Linked objectives	**O1:** Achieve a profit margin of 30% of the total income. **O3:** Increase sales by 250% compared to 2015.
Licked budget	-
Timeline	JUL – AUG, 2017

To establish the final price of Agua de l'Avellà with mineral - medicinal properties we have to take into account the competitive strategy of differentiation. That is, the price has to be established basing on the perception of the product by the target audience.

Consumers who buy Agua l'Avellà see beyond the basic product that is water, they are ready to pay a different price, since they perceive an added value that gives them this water and that stands out against the other competitive brands.

Therefore, according to the results of the market research, consumers are ready to pay between 40 cents and 1 euro for a plastic bottle of 1.5 liters.

On the other hand, we must not forget the essential concepts of price calculation. Taking into account the costs of the bottling process, the margin of 40 or 50% will be applied on the cost to obtain the profits on the sale.

The main objective of this method of calculation is to cover the expenses generated by the activity of the bottling plant and to ensure that this business, at least, is not a deficit for the Catí Town Hall.

Action 6. Adapt the price discrimination strategy.

Linked objectives	**O1:** Achieve a profit margin of 30% of the total income. **O3:** Increase sales by 250% compared to 2015.
Licked budget	-
Timeline	JUL, 2017 – AUG, 2018

This strategy can be carried out in two ways both taking into account the customer type as the purchase volume.

With regard to the type of customer, we talk about the strategy discrimination in terms of the distribution channel. As well as in the current situation, the final price may vary depending on the point of sale.

Each dealer sets his own level of profit margin, so that the final consumer can pay a different price at each of these points of sale. It is also possible to agree a fixed price with each distributor based on the purchase volume, the purchase frequency, exclusivity and other commercial conditions.

On the other hand, there is a possibility to apply discounts for different purchase volumes for both final consumers and organizational clients. This price-setting strategy can encourage the purchase of a larger volume of the product when getting a discount of between 10 and 15%.

3. PLACE DECISIONS.

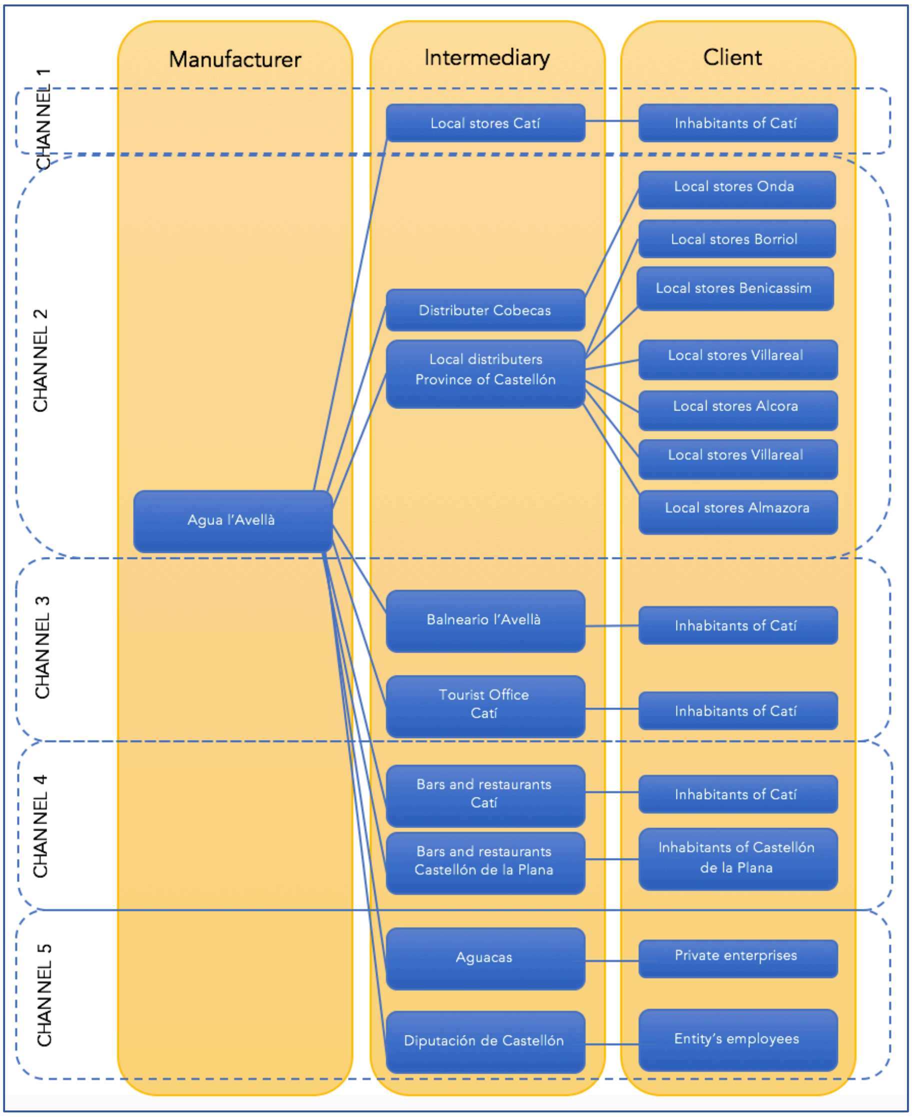
In order to achieve greater market coverage, we have to reach a greater number of end consumers, enriching the distributors network both quantitatively and qualitatively.

We consider that, first of all, we should focus on the area of Castellón de la Plana and other nearby municipalities to distribute Agua l'Avellà. Due to the high transport costs involved in the water distribution, we cannot go much farther from the origin of the spring.

Apart from that, the inhabitants and current consumers of Agua de l'Avellà, who reside in Catí and who already know the product, get the water directly from the source for free. Therefore, insisting too much in the consumption of bottled water in this area will not be effective. However, we do not have to leave this segment apart, since we have to take care of current consumers and constantly remind them about the brand and the product.

In this way, Figure 12 reflects the entire distribution system of Agua de l'Avellà.

Figure 12. The Agua l'Avellà distribution system overview.



Source: prepared by the author based on previous analysis.

Action 7. Provide the new glass packaging format for exclusive consumption.

Linked objectives	**O4:** Achieve 85% of "Yes" to the question "Do you know the Agua l'Avellà brand?" **O5:** Achieve 90% of the correct answers to the question about the origin of the brand. **O10:** Position as a water with mineral - medicinal properties for the healthy and sporty lifestyle.
Licked budget	-
Timeline	JUL, 2017 – AUG, 2018

This new packaging format has been designed for more exclusive consumption in the leisure and hospitality points of the province. The main objective of that is to offer a more special and different way of consumption of mineral water, where the product can be presented by its packaging aesthetics. Therefore, we suggest distributing this format in the following points of consumption:

- Balneario l'Avellà, which is already one of the clients of the bottled plant.
- The Tourist Office of Catí, where this bottle format can be acquired as a gift or a token from the town and its culture.
- Bars and restaurants.

Action 8. Reach more distributers of Horeca channel.

Linked objectives	**O8:** Expand to new market segments. **O9:** Enrich the distributors network.
Licked budget	-
Timeline	JUL, 2017 – AUG, 2018

Focusing on the area of Castellón de la Plana, we need to reach the agreements of distribution of water in the bars and restaurants of Castellón de la Plana. For this, we can use the transport of the Catí Town Hall, and in this way, taking advantage of one trip from Catí to Castellón reach a greater number of clients. Thus, we will be able to save the cost of distribution and provide better facilities of product delivery directly to their business.

Action 9. Reach the agreements with the local distributers from the municipalities of the Province.

Linked objectives	**O8:** Expand to new market segments. **O9:** Enrich the distributors network.
Licked budget	-
Timeline	JUL, 2017 – AUG, 2018

As well as the Cobecas supplier that distributes Agua l'Avellà by Onda's local stores, we have to find other local distributors to expand distribution area mainly to localities such as Borriol, Benicassim, Almazora, Alcora, Villareal and other municipalities that are located Between Catí and Castellón.

Action 10. Reach the agreement with Aguacas.

Linked objectives	**O9:** Enrich the distributors network.
Licked budget	-
Timeline	JUL – AUG, 2017

Aguacas is a distributor of natural mineral water that operates in the area of the province of Castellón and is responsible for supplying water to both large and small companies and public bodies. In this way, this intermediary can facilitate the connection with the organizational target clients. We consider it a good option for the following reasons:

- Aguacas is the leader in the sector of the area of Castellón with more than 15 years of experience, which can guarantee us the assurance of service quality and wide client portfolio.
- Ease of insertion of the product to new segment thanks to the reputation of distributer.
- Facilitate the bargaining process with clients.
- Reduce the number of transactions by having the unique distribution base.
- Competitive brands such as Agua Bensassal and Bejis already have a business agreement.

Action 11. Reach the agreements with the Provincial Council of Castellón and the local authorities.

Linked objectives	**O9:** Enrich the distributors network.
Licked budget	-
Timeline	JUL – AUG, 2017

We can suggest an agreement to the Diputación de Castellón to make a rotating supply of the natural mineral waters brand of the province. We consider that this type of intermediary can be a good option to promote the native product and make it known to the public. As already mentioned, it can be done in a rotating way with other water brands of the province, changing the supply from time to time, as it can be every year. Furthermore, this agreement can be included within the program "Ruta de Sabores Castellón".

4. PROMOTION DECISIONS.

Informing, persuading and remembering are the three main objectives that we have to keep when planning promotion activities. This part of the marketing mix encompasses the three previous elements in order to establish a comprehensive promotion plan that reflects the values and culture of the company, and in order to achieve the project goals.

Down below, we will use the five main communication tool, which are advertising, sales promotion, direct marketing, sponsorship, experiences marketing, reflecting them in different promotion activities.

Action 12. Inbound marketing: web domain and blog creation.

Linked objectives	**O4:** Achieve 85% of "Yes" to the question "Do you know the Agua l'Avellà brand?" **O5:** Achieve 90% of the correct answers to the question about the origin of the brand. **O11:** Increase customer loyalty.
Licked budget	368 €
Timeline	JUL – AUG, 2017

As we have already mentioned in the section of market research (see page 48), the use of the Internet day by day is becoming an essential tool for almost any business.

The prospect, when watches the company's web page or profile on Facebook, gets the first impression about the business. Therefore, it is very important to take care of the brand image and the content quality that is downloaded on the worldwide network.

Another point to keep in mind is that it is not enough just to create a profile on Facebook or the official website, the important thing is to keep the constant activity, reminding the customers about the brand and updating the website content. And this is what the concept of inbound marketing means, that is non-intrusive way of connection with the target audience, offering them what they really demand and what really interests them.

Therefore, our suggestion is to create a web domain with the goals of informing, brand positioning and emotionally persuading consumers. The main content topics to write about would be:

- Core information about the bottling plant (the origin of the spring and its location).
- Information on the properties of water and its chemical composition.
- The mission and values of the bottling plant and the Agua l'Avellà brand.
- Main historical facts (evolution and growth).
- Company's contacts and links to profiles in social networks.
- The blog section, where the company can publish the content related to water consumption and healthy habits of life (healthy diet tips, sports practice, etc.).

Action 13. Enrich the content and activity frequency of the corporate profile on Facebook.

Linked objectives	**O4:** Achieve 85% of "Yes" to the question "Do you know the Agua l'Avellà brand?" **O5:** Achieve 90% of the correct answers to the question about the origin of the brand. **O6:** Get 1.000 likes on Facebook. **O11:** Increase customer loyalty.
Licked budget	0*
Timeline	JUL, 2017 – AUG, 2018

*No cost in case of not hiring a specialist.

As we have already mentioned in the section of the internal analysis (see page 9), although the company has its own profile on Facebook, it has poor content that is updated relatively seldom. In this way, it is not stood out as a positive differentiating point.

Therefore, the company has to demonstrate its interest by the target market, sharing the news as much about the bottling plant activities, as other news related to water consumption and sports. In addition to that, taking into account the speed that news moves on the Internet with and its global reach, the company has to constantly update its profile, at least once a week.

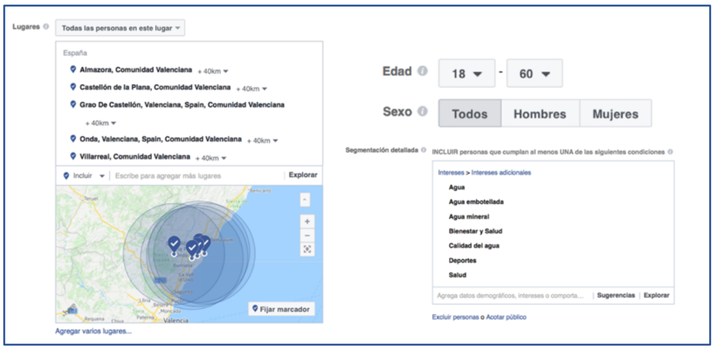
Action 14. Hire the advertising service on Facebook.

Linked objectives	**O4:** Achieve 85% of "Yes" to the question "Do you know the Agua l'Avellà brand?" **O5:** Achieve 90% of the correct answers to the question about the origin of the brand. **O6:** Get 1.000 likes on Facebook. **O8:** Expand to new market segments. **O10:** Position as a water with mineral – medicinal properties for the healthy and sporty lifestyle. **O11:** Increase customer loyalty.
Licked budget	900 €
Timeline	SEP, NOV, JAN, MAR, MAY, JUL, 2017

In order to promote the brand and reach a greater number of potential consumers, we propose to contract the advertising service on Facebook. We consider it a good option to contact more people that may be interested in Agua de l'Avellà.

Depending on the geographical, demographic criteria, the people's preferences, the ads will appear to the target audience that we are interested in attracting, Image 15.

Image 15. Facebook ads configuration: segment criterion.



Source: Facebook.

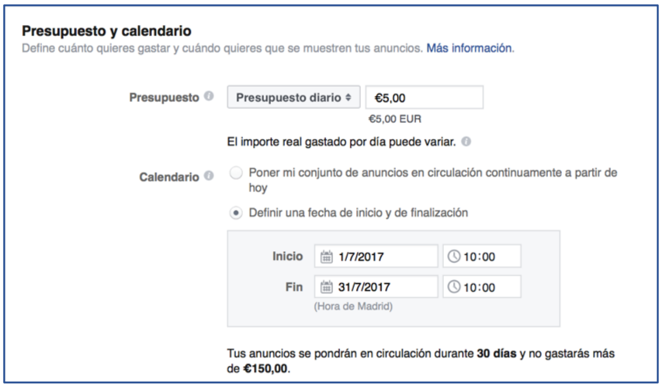
Among the marketing goals offered by this service, Image 16, we consider that the objective of brand recognition and obtaining a greater number of traffic are the goals that match the main goals set out above.

Image 16. Facebook ads configuration: ad goals.

Source: Facebook.

Another advantage of advertising on Facebook, is the flexible budget that is decided by the advertiser and is then confirmed by the ad auction. What you have to do is decide the amount that we are willing to invest, which can then be modified, Image 17.

Image 17. Facebook ads configuration: budget.



Source: Facebook.

Action 15. Create digital advertising banner.

Linked objectives	**O4:** Achieve 85% of "Yes" to the question “Do you know the Agua l'Avellà brand?” **O5:** Achieve 90% of the correct answers to the question about the origin of the brand. **O10:** Position as a water with mineral – medicinal properties for the healthy and sporty lifestyle. **O11:** Increase customer loyalty.
Licked budget	38 €
Timeline	OCT-DEC, 2017; MAY-JUL, 2018

It is another of the actions that allows to promote the brand positioning and enhance its reach of recognition.

These banners can be launched digitally both on the company website and on its Facebook profile, which also allows more cost savings.

Nowadays there is a great number of applications that allow us to create advertising posters in a simple and flexible way, which also saves the costs of hiring a specialist.

In Image 18 we suggest some sketches that could be used as prototypes for digital ads. As can be seen, these two images promote healthy lifestyle habits, such as healthy diet and sports, where Agua de l'Avellà has the most prominence. The main objective of that is to link the emotional perception of the l'Avellà brand as a health product.

Image 18. Digital banners sketches.

Source: prepared by the author based on Google Images.

Action 16. Boost the sports events sponsorship.

Linked objectives	**O4:** Achieve 85% of "Yes" to the question "Do you know the Agua l'Avellà brand?" **O10:** Position as a water with mineral – medicinal properties for the healthy and sporty lifestyle. **O11:** Increase customer loyalty.
Licked budget	1.849,80 €
Timeline	SEP, DEC, MAR, MAY, JUN, 2017

We believe that the Agua l'Avellà brand has to continue participating in various sporting events such as the "Esperit Skyrunning" races in which Agua l'Avellà is its main sponsor.

Here we do not seek to achieve a greater sales or other economic indexes. The main goal of this action is to make the values of sports activities associated with the image of the brand.

Apart from that, during these events, the company can give away water bottles and other merchandising gifts such as t-shirts or caps with the Agua l'Avellà logo. This will help increase the visibility of the brand and create closer relationships with consumers.

Action 17. Joint promotion with Catí cheese brand.

Linked objectives	**O3:** Increase sales by 250% compared to 2015. **O5:** Achieve 90% of the correct answers to the question about the origin of the brand.
Licked budget	-
Timeline	SEP, 2017 – SEP, 2018

In order to promote the native products of the municipality, the company can reach an agreement can the Cheese of Catí brand and sell its products and Agua de l'Avellà together as a gift basket in the Tourism Office of Catí and also in the local stores of the municipality.

Action 18. Discount coupons as sales promotion.

Linked objectives	**O3:** Increase sales by 250% compared to 2015. **O8:** Expand to new market segments.
Licked budget	42 €
Timeline	OCT, MAR, JUL, 2017

In order to promote the product and attract the potential customer and facilitate the process of the purchase decision, we can implement special sales offers via discount coupons. These coupons can be launched on the Facebook page during a certain period of time and can be presented at the water sales premises that the company has the distribution agreement with.

Action 19. Contest 1: "Win a day at the Balneario l'Avellà".

Linked objectives	**O7:** Increase tourist flow during the vacation period by 90% compared to the statistics in 2016. **O11:** Increase customer loyalty.
Licked budget	450 €
Timeline	DEC, 2017

The main idea of the contest is to draw the "couples romantic pack" of the spa valued at 950 € which will include:

- 2 days full – board accommodation
- 2 full 50 minute massages
- 2 collagen facial treatments
- 1 special dinner
- 2 hours in SPA area.
- A gift basket of Agua l'Avellà in its glass container and a set of Catí cheeses.

The contest will take place during the Christmas season. To win this contest, participants will have to post a photo on the Facebook page related to the healthy lifestyle and share it with their friends and family. In the description of the photo they will have to put a hashtag #Agualavella and #VacacionesenCati. The winner will be decided by the photo that obtains the highest number of "Like it".

Action 20. Contest 2: "Fun recycling fair".

Linked objectives	**O7:** Increase tourist flow during the vacation period by 90% compared to the statistics in 2016. **O11:** Increase customer loyalty.
Licked budget	603,50 €
Timeline	JUN, 2017

This contest will be held in the town of Catí and its main objective is to promote recycling values for the children. Kids with their parents will have to make figures and statues using only the waste from the water containers. Later, the statues will be exhibited on the town's main square where the best figure will be chosen. The winning family will get a weekend of vacations in Marina D'Or with the expenses paid.

Throughout the day of the event different contests and games will be held, where children and their parents will be able to get gifts such as t-shirts, caps or key chains in with the image of Agua l'Avellà related to the importance of recycling.

The recycling fair can be promoted through Facebook, where participants can also register for the contest. Depending on the reach and final results, it may be suggested to carry out this event the next year.

Action 21. Water interpretation center.

Linked objectives	**O7:** Increase tourist flow during the vacation period by 90% compared to the statistics in 2016. **O11:** Increase customer loyalty.
Licked budget	20% of final profit
Timeline	2018

This is a long-term project, longer than the Marketing Plan contemplated term, since it requires a higher level of investment both economically and at the level of labor.

The main idea is to take advantage of the space of the second level of the bottling plant, which is currently disused (Image 19), and establish there a l'Avellà Water Museum. It is an experience marketing activity, since it pretends increase customer loyalty through an interactive space where the visitor can communicate directly with the brand.

Image 19. Bottling plan interior.

Source: prepared by the author.

It will be created a visual and interactive space where the customer will have the opportunity to know the history of the l'Avellà Spring and the beginnings of the water commercialization and its first bottle that has remained intact since 1973. Moreover, the visitors will be able to follow the evolution of the containers design and its logo image, as well as to know the water bottling process.

For the interior design of the museum, the old water containers that were marketed in the first years of the plant's operation will be used for wall decoration (Image 20).

In addition to that, a part of the floor will be made of glass, through which visitors can contemplate the machinery facilities and the bottling process of water.

Image 20. Old Agua l'Avellà packaging.

Source: prepared by the author.

In the following image, there are the spaces design that have inspired us to create the interior of the interpretation center of Agua l'Avellà.

Image 21. Inspirational interiors.

Fuente: Google.com

Table 14. Marketing Plan budget

MARKETING BUDGET 2017 - 2018	TOTAL BUDGET	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
New packaging line	94.750,00 €														
- Acquisition of machinery	91.600,00 €		91.600,00 €												
- Maintenance	1.750,00 €					350,00 €		350,00 €		350,00 €		350,00 €		350,00 €	
Total packaging costs (PET)	66.400,00 €														
- Bottle 0,5 liters	22.000,00 €			1.833,33 €	1.833,33 €	1.833,33 €	1.833,33 €	1.833,33 €	1.833,33 €	1.833,33 €	1.833,33 €	1.833,33 €	1.833,33 €	1.833,33 €	1.833,33 €
- Bottle 1,5 liters	36.000,00 €			3.000,00 €	3.000,00 €	3.000,00 €	3.000,00 €	3.000,00 €	3.000,00 €	3.000,00 €	3.000,00 €	3.000,00 €	3.000,00 €	3.000,00 €	3.000,00 €
- Bottle 5 liters	8.400,00 €			700,00 €	700,00 €	700,00 €	700,00 €	700,00 €	700,00 €	700,00 €	700,00 €	700,00 €	700,00 €	700,00 €	700,00 €
Total packagine costs (glass)	97.950,00 €			8.162,50 €	8.162,50 €	8.162,50 €	8.162,50 €	8.162,50 €	8.162,50 €	8.162,50 €	8.162,50 €	8.162,50 €	8.162,50 €	8.162,50 €	8.162,50 €
Logo design	150,00 €		150,00 €												
Label design	112,00 €		112,00 €												
Web domain design	200,00 €	200,00 €													
Web page maintenance	168,00 €	12,00 €	12,00 €	12,00 €	12,00 €	12,00 €	12,00 €	12,00 €	12,00 €	12,00 €	12,00 €	12,00 €	12,00 €	12,00 €	12,00 €
Update of the web page contents of (blog, news)	0,00*			0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
Facebook corporate profile management	0,00*			0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
Facebook advertising	900,00 €			150,00 €		150,00 €		150,00 €		150,00 €		150,00 €		150,00 €	
Digital advertising banners	38,00 €				19,00 €						19,00 €				
Discount coupons	42,00 €				14,00 €					14,00 €			14,00 €		
Sports event sponsorship	1.849,80 €														
- Canvas 300cmx100cm (34,9 € * 2)	**69,80 €**			69,80 €											
- Merchandising staff	**1.780,00 €**														
*Caps (0,99€*80)*	396,00 €			79,20 €			79,20 €			79,20 €		79,20 €	79,20 €		
*T-shirts (3,46€*80)*	1.384,00 €			276,80 €			276,80 €			276,80 €		276,80 €	276,80 €		
Contest 1	450,00 €														
- Romantic Spa Pack	**450,00 €**						450,00 €								
Contest 2	603,50 €														
- Event organization	**300,00 €**												300,00 €		
- Merchandising staff	**103,50 €**														
*Caps (0,99€*60)*	59,40 €												59,40 €		
*Cotton bags (0,63€*70)*	44,10 €												44,10 €		
- Marina d'Or expenses	**200,00 €**												200,00 €		
Total Expenses	263.613,30 €														
Expected Income	239.885,00 €														
Plan Castelló 135 Grand	91.600,00 €														
Expected Profit	**67.871,70 €**														
Water interpretation center	20% del beneficio														

* Null cost in case of not hiring a specialist and handling the task on own account

Source: prepared by the author based on previous analysis

VIII. TIMELINE

Table 15. Marketing action plan timeline 2017-2018.

MARKETING ACTION PLAN TIMELINE 2017 - 2018														
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
PODUCT														
Acquire new packaging line														
Change the packaging format														
Renew the logo														
Renew the label														
PRICE														
Set the price														
Price discrimination by quantity														
Price discrimination according to the distributor														
PLACE														
Search for new distributors of the Horeca channel in Castellón de la Plana														
Search for new local distributors in the Province area														
Deal with Aguacas														
Reach an agreement with Diputación de Castellón														
PROMOTION														
Web page creation														
Update of the web pagecontents (blog, news)														
Facebook corporate profile management														
Facebook advertising														
Digital advertising banners														
Joint promotion with Catí cheese brand														
Discount coupons														
Sports events sponsorship														
Contest 1														
Contest 2														
Water interpretation center														

Source: prepared by the author based on previous analysis.

IX. CONTROL

Table 16. Control plan.

OBJECTIVE		CONTROL FREQUENCY	CONTROL MEASURES
O1	Achieve a profit margin of 30% of the total income.	Quarterly	Revenue and expense report.
O2	Increase the volume of bottled liters up to 500.000 liters.	Monthly	Production report: bottled volume (liters per month).
O3	Increase sales by 250% compared to 2015.	Monthly	Sales report broken down into: - N° of sold bottles to local distributors x unit price. - N° of sold bottles in the local stores of Catí x unite price. - N° of sold bottles to suppliers of the Horeca channel x unite price. - N° of sold bottles to Aguacas x unite price.
O4	Achieve 85% of "Yes" to the question "Do you know the Agua l'Avellà brand?"	Biannually	Online questionnaire on brand recognition.
O5	Achieve 90% of the correct answers to the question about the origin of the brand.	Biannually	Online questionnaire on brand recognition.
O6	Get 1.000 Likes on Facebook.	Monthly	Online profile statistic evolution on Facebook.
O7	Increase tourist flow during the vacation period by 90% compared to the statistics in 2016.	Four time a year	the Tourism Office of Catí statistics report.
O8	Expand to new market segments.	Four time a year	- Followers and visitors evolution statistics of the Facebook profile. - Sales figures in new distribution channels.
O9	Enrich the distributors network.	Biannually	- N° of agreements with distributors. - Types of distributors. - Sales reports of each distributor
O10	Position as a water with mineral - medicinal properties for the healthy and sporty lifestyle.	Biannually	Online questionnaire on brand recognition. Include questions like: - What associations does the Agua l'Avellà brand bring to you? - In what situation would you consume Agua l'Avellà? - Do you think Agua l'Avellà is a healthy product?
O11	Increase customer loyalty.	Biannually	- Online questionnaire on brand recognition. Include the question about the variety of brand consumption. - The impact of the promotion activities and MK experiences on the sales figure. - The No. of followers on Facebook.

Source: prepared by the author based on previous analysis.

X. BIBLIOGRAPHY

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