

Fuel Supplements

MKTG 4450-01

Group 2 - Phase 1

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Introduction

The company identified for this project is Fuel Supplements, a small business operating in Kamloops. Fuel Supplements is a franchise but operates with a unique agreement that allows them to avoid paying royalties or franchise fees arranged by the current owner, Jake. The franchise agreement gives them buying power, but their marketing, purchases, and sales are specific to their store. Fuel supports customers in their health and fitness journeys through education, quality supplements, and customer-focused service.

Problem Statement

Fuel Supplements is held back by a highly limited online presence and an absence of a cohesive marketing strategy. Its website lacks e-commerce functionality, restricting its ability to reach customers beyond the local market. Without a strategic marketing plan to effectively target and engage customers, Fuel struggles to compete with larger franchises and online retailers, limiting its growth and long-term potential.

Opportunity Statement

Fuel has a significant opportunity to expand its reach and drive growth by building a robust ecommerce platform and implementing a strategic marketing plan. By creating a cohesive marketing strategy, including targeted campaigns, loyalty programs, and community partnerships, Fuel can strengthen its brand, attract new customers, and enhance its competitive position in the supplement industry.

Situational Analysis

Company

The business has built a strong local customer base by prioritizing customer-oriented service, offering unique product selections, and maintaining knowledgeable staff. However, its

e-commerce strategy is still developing, facing competition from major retailers (Costco) and franchisees (Popeye's), and online giants (Amazon) (Jake Young, personal communication, February 19, 2025).

Company Strengths

Fuel Kamloops prioritizes customer satisfaction, providing knowledgeable staff to foster loyalty and positive feedback. Exclusive products like Limitless Protein give it a niche advantage as other stores do not carry this product that's popular with consumers. Additionally, the company actively adapts to market trends and offers student discounts to attract younger consumers (Jake Young, personal communication, February 19, 2025).

Company Weaknesses

Despite its numerous positives, Fuel Kamloops faces several internal challenges in growing and establishing its e-commerce presence. The website has undergone redevelopment and is currently transitioning to Wix for improved integration with the POS system, but this process has created disruptions as it is still partially under development. Payment processing issues, particularly with Stripe, have previously hindered online sales (Jake Young, personal communication, February 19, 2025). The business also lacks a formal loyalty program, which limits repeat online purchases. Additionally, the company's marketing strategy is limited, primarily relying on gym partnerships and lacking diversification across digital channels. Some customers perceive Fuel Kamloops as more expensive despite available discounts, and promotional signage could be improved to better communicate offers (Jake Young, personal communication, February 19, 2025).

Opportunities for Growth

Fuel Kamloops has multiple opportunities to expand its e-commerce presence. A trial run on Amazon highlighted a potential market in Eastern Canada, particularly in Quebec (Jake Young,

personal communication, February 19, 2025). Influencer marketing presents an avenue to target younger demographics and enhance brand visibility. The company can also leverage AI tools, such as ChatGPT, to streamline tasks like product description writing(Jake Young, personal communication, February 19, 2025). Establishing partnerships with local gyms, sports clubs, and athletes can boost brand awareness. Improving the overall customer experience by redesigning the purchasing process and collecting customer feedback will further support e-commerce success.

Threats

Fuel Kamloops operates in a competitive market, facing challenges from major supplement retailers like Popeye's, which have substantial marketing budgets. Additionally, e-commerce giants such as Amazon and Walmart provide significant competition with aggressive pricing and wide product availability (Jake Young, personal communication, February 19, 2025). Economic downturns could negatively impact sales, and changing social media algorithms require the company to evolve its content strategies to maintain engagement (Jake Young, personal communication, February 19, 2025). High shipping costs also pose a challenge to profitability in the online marketplace (Jake Young, personal communication, February 19, 2025).

Customers

Fuel Kamloops emphasizes customer-centric values by prioritizing the needs of individuals at all stages of their health and fitness journeys.

The target audience for nutritional supplements is broad, encompassing athletes, fitness enthusiasts, health-conscious individuals, and seniors aiming to enhance their overall well-being. These consumers are typically willing to invest in premium, high-quality, effective, and safe products. Fuel supplement (n.d.). <https://fuelkamloops.ca>

Customer Segments for the Supplement Industry

1. Athletes

The supplement industry serves professional and recreational athletes by offering fuel supplements (n.d.). <https://fuelkamloops.ca/>. This category of people is a prime target for supplement marketing. Those aiming to enhance physical well-being and build muscle often turn to popular choices like protein powders, creatine, amino acids, energy boosters, and multivitamins Daniell, O. (2025, February 3).

2. Fitness Enthusiasts

Fitness enthusiasts include individuals looking into improving their fitness levels, from casual gym-goers to serious fitness buffs. This group of customers seeks high-quality products, such as pre-workout formulas, protein powders, and recovery supplements, that help them elevate their workouts and achieve personal milestones.

3. Health-Conscious Individuals

Health-conscious consumers are increasingly turning to supplements to support their overall well-being. These customers prioritize a balanced diet and rely on products like vitamins, minerals, and supplements to boost energy, improve digestion, and enhance general vitality. These customers value premium, scientifically backed supplements that complement their healthy lifestyle.

4. Local Athletes and Gym Members

Supplements for local athletes and gym members are targeted audience of this industry which supports their specific training needs. Partnerships with local gyms and fitness centers, the industry ensures that athletes and fitness enthusiasts have access to the right

supplements, helping to create a sense of community and support for regional health and fitness goals.

Competitors - Using Porters 5 Forces

The increase in e-commerce has changed the landscape of nutritional supplements, especially in North America. With the US and Canadian nutritional supplements growing at 7.44 per, reaching \$ 23.45 billion by 2030 (Grand View Research, 2024), companies must position themselves so that they can compete more effectively. For fuel supplementation, understanding the competitive environment using five Porter forces is essential for long-term sustainability.

- **Threat of New Entrants**

The nutritional supplements industry has low entry barriers due to the digital platforms like Shopify, which enable small businesses to launch online stores with very low cost (Lin, 2022). However, large online stores such as Amazon make it difficult for other businesses selling products online. Amazon being one of the largest stores, it enjoys economies of scale, optimized supply chain and strong customer loyalty. Therefore, Amazon builds an environment that is highly competitive, making it difficult for new businesses to establish a presence (Grand View Research, 2024).

- **Bargaining Power of Suppliers**

Main suppliers of raw materials, such as protein isolates and vitamins, have an average or moderate level of bargaining power. Large global companies like Nestlé, Abbott and other multinational corporations (Grand View Research, 2026) buy in bulk. Which allows them to bargain for lower prices. However, smaller companies tend to incur more expensive procurement

unless they create specialized supplier arrangements. Costco and Walmart, being two of the biggest stores in Kamloops, have a lot of influence on suppliers. Smaller firms, such as Fuel Supplements, could face tough price competition from the private-label brands these giants offer and their ability to buy in bulk. These major retailers use their vast supply chains to get better prices, which makes competition more intense.

- **Bargaining Power of Buyers**

Consumers have a lot of power when it comes to negotiating prices because they can easily see prices, due to having many options on sites like Amazon (Lin, 2022). The market for liquid supplements, which is popular among older people and fitness fans, is really competitive (Grand View Research, 2026).

- **Threat of Substitutes**

The supplement industry faces substitution threats from meal replacements, whole foods, and private-label supplements sold by retailers like Costco and Walmart (Grand View Research, 2026). Furthermore, Amazon's private brands add pressure on small businesses.

- **Industry Rivalry**

The supplement industry has a competitive environment, with big names like Popeye's Supplements and Supplement King Kamloops leading the way. On top of that, Amazon's FBA logistics and Prime shipping put a lot of pressure on other companies (Lin, 2022). A standout move by Popeyes was adopting MyPOS Connect, which boosted their efficiency by slashing their weekly inventory processing time from 16 hours down to just 3 hours and also lowered their email marketing expenses by 90% (Popeyes Supplements, n.d.).

Industry

Working out has become a famous fad on the internet since the global pandemic in 2020. People turned to social media to consume their lives while remaining condemned to their homes. TikTok popped off and many creators began sharing what was consuming their time while stuck at home, for many it was working out. Supplement companies have become more famous because of the growth of workouts in consumers. People are looking to find new ways to boost their workout plans and shape their bodies by using supplements like pre workout, hydration, energy, muscle builder, and creatine. The industry of supplements has grown vastly on its own as people are looking for “faster” ways to build muscle and lose weight.

Fitness supplement stores sell to two different groups; pre-workout supplements and post-workout supplements. Pre-workout supplements are used for people who consumer more energy like weight training in order to boost the energy before working out and for lifting weights longer. It is not necessary for those who don’t exercise daily (Yongcharoen, 2026). With post-workout supplements, they are designed to help recover mineral losses and build muscle after the workout (Yongcharoen, 2016). These supplements are key for consumers in the fitness industry because if not, it may cause insomnia and a faster paced heart rate, or just plain water may not suffice for the average highly active fitness enthusiast (Yongcharoen, 2016).

These fitness supplements are sold best to consumers using social media. A new way of marketing using influencers on social media creates awareness of products making the average user want to participate in. Using celebrity and pro-athlete endorsements can influence consumers purchasing the products. This has a positive effect on sales in an increase on stock returns (Busch et al., 2016).

If a person is scrolling through social media and sees an advertisement featuring a well known and likeable products, they may be more attracted to the influencer. The attractiveness of the ad can influence consumers to believe they can achieve the same look by using the same products, even if it was not their intention to purchase (Kumar et al., 2023).

By using social media, the consumers can find products and supplements they feel will benefit them physically and mentally all based on what the biggest person online is promoting. The supplement industry involves what types of products they sell, who they sell to and how.

Goals and Objectives

Based on the identified challenges and situational analysis, the following SMART (Specific, Measurable, Attainable, Relevant, Timely) objectives have been set for Fuel Supplements Kamloops to improve its e-commerce performance and customer engagement:

Specific

- Use fitness enthusiasts and social media influencers to promote Fuel Supplements through an affiliate marketing program to raise brand awareness and boost sales.

Measurable

- Using the Affiliate Marketing model to build a loyalty program targeting at least 35% of new customers online specifically within three months
- Track the redemption rate of the student discount and aim for at least 10% of total sales from student consumers within six months.

Achievable

- Website team working on redevelopment can be redirected to include the development of the digital loyalty program.

Relevant

- Ensure the website's features correspond with the brand's value proposition by displaying high-quality product photos, comprehensive descriptions, and customer reviews to build loyalty, trust and credibility.

Timely

- The focus is to launch the loyalty program and implement it effectively to drive repeat purchases by 30% in 6 months.

Creating SMART goals for Fuel Supplements geared towards students, online traffic, customer retention, and brand awareness against their competitions will allow the company to focus on building a strong brand reputation locally in Kamloops. Our goal is to focus on positive and effective ways that Fuel Supplements can stand out in Kamloops as a local business through marketing and e-commerce. Supporting local rather than larger franchises will create opportunities for both customers and the brand. The detailed timeline ensures measurable progress, with a target of achieving tangible results within six months. With these initiatives, Fuel Supplements Kamloops is well-positioned to strengthen its online presence and drive sustainable growth.

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