Marketing plan

MKT 500: Marketing Management

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INTRODUCTION

Company description

The proposed company will operate under the name Skyle Global Technologies (SGT). The name bears the word ‘global’ connoting the great potential for its growth to become a household brand name. Technology is the current driver of life and as the world continues to witness new technologies every day, this company intends to be among those that will drive the world to technological prosperity.

Location and size

The proposed company will be located in Cupertino, California, United States of America. This location is particularly suitable because of its popularity across the globe as the headquarters of one of the biggest multinational companies in the world. Also, California is one of the largest states in terms of population and hence there is an assured local market and labor force.

The proposed company will start as a small venture utilizing a handful of rooms as office space and larger rooms where production will take place. All these will be done under one building acquired on a rental basis for the start. This size is suitable given the amount of capital available and the one sought. The venture forms the nucleus of a big brand intended by the proprietor.

Products

SGT is intended to be a multinational company that produces, distributes and markets high-quality electronic storage media like DVDs, CDs, and flash card memories.

ENVIRONMENTAL ANALYSIS

Competitive environment

At the state level, there is no other company that produces these products. However, nationally and internationally several competitors exist. This proves a very competitive market on the global scale. The state level provides the nucleus from which the company will grow because it will serve as the primary target market. Even with other companies distributing in the area, TGT will have an upper hand since it will be producing in this location and therefore sell at lower prices. Armed with technology, TGT intends to take the global market by storm by producing scratch-free disc-based storage media which will have bigger storage space than the ones currently in the market.

Economic environment

The US economy is one of the biggest in the world and one that is ever improving. Small enterprises usually feel the effects of economic changes faster than their larger counterparts and therefore as the economy stabilizes small enterprises such as this are likely to feel the resulting effects and take merit quickly. In a solid economy, about all organizations appreciate more noteworthy flourishing. Discretionary cash flow is high, joblessness is low and purchaser certainty prompts individuals to direct their cash once more into the economy through the buy of fundamental and trivial products and enterprises. Hence, the enterprise will enjoy the current economic prosperity and freedom which is backed up by strong economic policies.

Political environment

The political stability enjoyed in the United States provides a favorable environment for the enterprise to grow. However, the changing political regimes which include changing economic policies might prove challenging for the company's global strategies.

Legal environment

The proposed business will ensure it meets all the legal requirements in its implementation and operations and to ensure it adheres to the government censorship put in place to control the production standards and public protection. This will help sustain a smooth running of the enterprise while ensuring it contributes positively to the society. The enterprise will have a quality control department which will ensure products go beyond the minimum standards.

Technological environment

While technological advances continue to occur, existing technology will do nothing less than enhance the activities of the enterprise. With e-commerce, the enterprise will have the advantage of having all its products virtually available and accessible over the internet. Further technological advancements will widen the customer base by opening the global market at the benefit of the enterprise. In a similar way, better production methods will increase production efficiency which will reduce the cost of doing business while increasing revenue (Renko, Carsrud & Brännback, 2009).

Sociocultural environment

The large population in California will be very useful as the primary target market. Most people in the area are learned people who appreciate the importance of having high-quality storage media both at home and at the office. For many years, people have sought scratch-free storage media for files including office work, music, and movies. People find it more convenient to store large files externally because it frees up space on computers and hence makes the computer less congested. Furthermore, storing confidential information in external storage ensures the security of such information in the event of a computer being stolen or destroyed. Therefore, the reception of such storage media is expected to be astonishing given the fact that it is mouthing people have been longing for.

 MARKET TARGETING AND ANALYSIS

**STP model**

Segmentation

Market segmentation is based on the following factors (Smith, 1956):

* Demographics- the company targets literate people between the age of 15 to 60 years of age who are computer literate or who simply enjoy watching videos saved on external media.
* Psychographics- the company targets people whose behaviors and lifestyles conform to a modern way of life. These include people who have reasons to use DVDs and CDs.

Targeting

1. Primary target market

The residents of Cupertino form the primary target market for the proposed company. Precisely, the company targets people working in offices, business organizations and youths who constantly find the need to store electronic data externally. Also, film vendors in Cupertino are targeted because they are the people who need storage media the most.

1. Secondary target market

California state and all US states form the secondary target market. This includes people who fit the profile described in primary target market only that they are from all over the United States. Once the secondary target market has been adequately served, the company intends to penetrate the global market.

Product positioning

Effective product positioning will depend on the following factors:

* Customer needs- the company understands what customers want and what they do not want which is based on the target market
* Competitive pressure- the company knows how to improve its products such that they are better than what competitors are offering. This includes making the products durable and provides larger storage space.
* Communication means- the company will utilize the communication channels provided by the use of the internet and social media platforms to communicate its superior products to the target market. This will include the creation of a website from where orders can be placed and using social media pages to interact with customers.
* Carefully created messages- the company will use very appealing key messages in communicating the attributes of its products to the target market.

**4 Ps of marketing**

* Product- the company will manufacture electronic storage media including DVDs, CDs and flash card memories
* Price- the company intends to maximize efficiency so as to lower the cost of production. This will enable the company to undertake cost leadership. Other pricing methods like price scheming will be utilized
* Place- the company will recognize the importance of availing the right product at the right place. Products will be physically available at retail shops and over virtually over the company website.
* Promotion- promotion mix will include personal selling, advertising, and sales promotion.

MARKETING GOALS

Marketing will play an important role in coordinating production in light of demand, and in ensuring that customers get what they want at the right place, time, quality and price. The proposed enterprise, therefore, has established a very inclusive and strategic marketing plan for this purpose.

Short-term goals

* Introduce a basic product into the primary target market
* Capture a substantial percentage of the market share

Long-term goals

* Increase the market share up to over 70% within six months
* Create brand loyalty
* Increase secondary target market customer share
* Increase sales

Measuring goals

* Tracking website visits- The number of visits will provide the basis on which to make assumptions on the number of people who are interested in the company’s products. Frequent visits will help in forecasting market share potential.
* Customer engagement- This method may involve engaging customers through emails, calls, and social media platforms to determine the level of satisfaction. A weighted scale is designed against which responses are measured
* Comparison with competitors- By assessing the performance of competitors, the company will be able to determine the performance of the company’s products in the market. The company intends to offer maximum customer value as a competitive tool.

SWOT ANALYSIS

Strengths

* The company has enough capital to fund its projects at implementation stage
* The company owns modern technology production skills
* Intellectual resources in business management and good relations with potential customers by the lead proprietor, giving a comparative advantage of high-level skills in management and good customer base
* Existence of good political will

Weaknesses

* Entering the market on small scale
* Lack of own premise
* Lack of adequate experience in the industry
* Lack of proper distribution channels

Opportunities

* Existence of a large real and potential market share
* Existence of a high inherent demand
* Potential to enter the global market
* Improved technology will lead to efficient production

Threats

* The threat of new firms coming up at the local level
* Possible decline in demand due to technological advancements
* Possibility of improper disposal of DVDs and CDs which may be environmentally hazardous
* Bad politics which may affect the company’s global strategy

NEED ANALYSIS

Consumers of DVDs and CDs have been limited to 4.7GB yet the needs of storage are expanding tremendously. Also, consumers need DVDs and CDs that do not scratch easily because this would render them unreadable. They also need rewritable DVDs so that they can delete or add any information at will. The company has identified the technology that will enable it to deliver exactly that at the convenience of the customers. This technology focuses on manufacturing cheap DVDs in a simpler way (Binkowska, Cord, & Wohlfart, 2007; Becker et. al., 2004).

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