Crawford, Kimberly
Joines, Harriet
MCalister, Sean
Messenheimer, Jill
Mkt 320 F09 Class 3:30
Group B2
Marketing Plan

The Marketing Game

VRD Marketing Plan

Executive Summary

This report will explain our firm's business strategy to market our new VRD (voice recognition device). Voice recognition devices are computer devices or computer software that has the ability to decode human languages into digital language without the use of a keyboard or mouse. This marketing plan will cover our goals, our recommendation, and our overall marketing strategies. The main goal of this marketing plan is to analyze our current market situation, opportunities and threats, marketing objectives and strategies as well as projected income for our VRD sales while competing with other firms. Our firm's recommendation is to target the less price sensitive consumer base in order to sell a more complex product at a higher price. Our overall marketing strategies include increasing the feature levels on the VRD to enhance customer satisfaction and increasing the price to fit these improved features.

Company Overview

This firm is devoted to the development and distribution of VRDs to demanding consumers. In order to accomplish this we will analyze or market and reconstruct our approach to fit the desired market segment.

Objectives/Goals

Our firms' main objective is to be able to successfully sell a specifically modified product to the best-suited customer base at an optimal price. At this time our firm believes that by selling VRDs to the market segments that include "Harried Assistants",

"Professional Creators", and "High-Tech Managers" would be in the best interest of our firm.

Situational Analysis

Strengths, **W**eaknesses, **O**pportunities, and **T**hreats

Strengths:	Weaknesses:
- Convert spoken words to computer commands - Hands free - Can record spoken words for messages - Device includes many effects and options	- People have trouble learning about VRD. - Vocal Commands is an unfamiliar feature. - Using a VRD may require special training. - VRD's can translate commands in the wrong way. - Expensive - Limitations of software
Opportunities:	Threats:
- Ability to personalize product for our target market. - Expanding into different markets. - Small competitor base. - Diverse market segments	- Small competitor base - Competitors have same confidential information about the technology. - All four firms must use some standards of the VRD so it is easy for consumers to switch to a competing VRD firm

STP Analysis

Segmentation

Our market can be divided into six different segments: Modern Students, Homes Users, Harried Assistants, Professional Creators, High-Tech Managers, and Concerned Parents. Each segment differs in its uses for the product, expectations for the product, acceptable price range. These varying segments are described as follows:

. *Modern students* use VRDs for convenient communication with friends and teachers. It is also used for assignments and extracurricular activities. The modern students are fairly price sensitive, but they do not require a lot of learning assistance because they will most likely receive assistance from friends.

Home users use VRD's to leave each other messages, surf the net, make list of things to be done – just having fun. This segment is interested in a lower price range and would probably need more learning assistance since they may not be great with technology. They are only worried about learning more about the software if they make a lot of errors that waste time.

Harried assistants use the VRD for creating presentations or company updates. The VRD is necessary for assistants to be efficient. The harried assistant would purchase as a high price level and would need to be very familiar with the device since it is necessary for their job.

Professional creators use VRD's for creating spreadsheets, advertising, to modify documents, and for graphic designers to translate visual concepts into actual layouts

and images "on the fly." The segment is less price sensitive and is willing to spend the money. Professional creators were innovators so they are interested in learning how to use the software completely, though probably not with the same tutorials that home users would prefer.

The high tech manager mostly uses the VRD while traveling. High tech managers would not be price sensitive since they are looking for a product that is high tech to make them look technologically savvy. Again, this segment would not require the same tutorials and ease of learning as home users, but would still need some assistance understanding the advanced features.

Concerned parents want to provide their kids will all of the advances of high tech learning and that include making computing faster and easier. They think VRD's are the future and they want their kids to experience it and also they see VRD's as providing a valuable educational experience. They are low price range because they want their children to be able to learn and use it. Concerned parents are interested in assistance and tutorials because they want their children to learn VRD's completely.

Targeting

Our firm is committed to targeting Assistants, Professional Creators, and High-Tech managers. These segments were chosen because they are less price sensitive than other markets. They are concerned with efficiency and convenience that allows our company to create a product that fits their needs at a higher price.

<u>Positioning</u>

Product – voice recording device

Price - $200 wholesale

Place – Channel 1: 50% intensity

       Channel 2: 30% intensity

Promotion – Will include marketing the new, more complex special features that are specific to our firm through personal selling. Advertising will be narrowed to business magazines where are target markets would most likely see them.

Marketing Strategy

Our firm's current recommendation is to target the following segments: "Harried Assistants", "High-Tech Managers", and "Professional Creators." We know that the assistants have accounted for a large amount of sales in the market and the managers are close behind. We have also targeted creators because we feel that they have similar needs as managers and assistants in terms of the VRD. Our goal is to try and create a product that attracts a large amount of each market by increasing the features without making the product too specific to one market segment.

<u>Positioning Statement</u>

Membership: VRD producers

Target Market: Assistants, Professional Creators, and High-Tech managers

Point of Difference: The product is created to include multiple features that consumers in the target market would greatly appreciate.

Reason to Believe: Higher number of special commands without a large increase in error protection and ease of learning that would make the device slower.

<u>Value Proposition</u>

Our firm is devoted to developing a VRD that will fit the needs of those desiring a high-tech and new age device. Our company provides a higher level of special features and will distribute the product to allow for increased personal communication to assist the consumer in making their purchasing decision.

<u>Financial Projection</u>

Using our potential strategy, the firm will incur expenses of $1,808,500. These expenses include advertising, sales-force salary, customer service costs, research and development costs, and marketing research. $953,000 of those expenses is specifically from the marketing budget. We should also consider the cost of goods sold which is projected to be roughly $2.4 million. The current strategy is expected to create a profit of approximately $3.3 million. These estimations are based off of the assumption that the firm will not discharge any employees and that 50% of the sales will come from Channel 1.

Implementation Plan

As stated earlier in the executive summary, one main aspect of our strategy is to increase the level of the features on the VRD. As a result we have increased the feature levels as follows:

Special commands: +4 (from 8-12)

Error Protection: +1 (from 3-4)

Ease of Learning: +1 (from 3-4)

As a result of our planning to target the less price sensitive markets, we have distributed greater channel intensity to channel one, where we feel the less price sensitive consumer would be more likely to purchase our product. Our target market is likely to want personal assistance when making their purchase, which they can receive through the full-service dealer. Because the market was originally skeptical of the products benefits, the salesmen from the channel one will be able to show customers how the specifics of the device works to make the product more desirable. Therefore, channel intensity for channel one is 50 where intensity for channel two is 30. We also have a larger number of sales representatives in channel one, 10, as opposed to channel two, 5. Our customer service budget is currently set at $125,000. Though we feel that our customers are technologically savvy, the increased amount of features and increased sales may require a greater amount of customer attention, hence the increase in the customer service budget. We are optimistic that the firm will increase sales from last period so our requested amount of production is 35000 units. The product is currently priced at $200. The higher price reflects the increased features and will most likely not

deter our target market. The firm feels that the higher price will reflect the higher quality and will attract our target market. We have set our advertising budget at $350,000 because we feel that advertising is going to be very important at the beginning stages of selling this product. Finally we will be purchasing marketing research in the form of the following reports:

1. Share by segment
2. Share by channel
3. Preferences
4. Effectiveness

We are hoping to gain as much knowledge about our consumers as possible in order to help continually analyze our markets and gain an edge.

Evaluation and Control

Upon receiving the results from our first decision, we will analyze the number of products that were successfully sold, how well each channel performed in sales, and how the separate markets responded to our marketing strategy. We are also planning to look at what the surveys report as to how the markets feel about price level and feature levels to see if adjustments need to be made.

Summary

In conclusion, our marketing plan consists of analyzing and reconstructing the previous plan into our new approach to fit the desired target segment. At this time our firm believes that by selling VRDs to the market segments that include "Harried Assistants", "Professional Creators", and "High-Tech Managers" would be in the best interest of our firm when positioned with our chosen price range. With almost equal aspects of each segment in our situational analysis, our firm believes that our decision of marketing to mainly channel one was best in order to accomplish our sought after profit. Our goal is to try and create a product that attracts a large amount of each market by increasing the features without making the product too specific to one market segment. With our increase of special commands, error protection, the ease of learning, as well as advertising, we trust that these modifications will help increase our profit increasingly and our companies progression when compared to our competition in terms of quality. With time our firm hopes to learn more about our selected target market and to increase our profitability within our company.

Appendix A

Situational Analysis

Strengths – The VRD is a very useful, high demand product with many desired features that can be marketed to a broad spectrum.

Weaknesses – Despite the products many beneficial features, some of the VRDs are complicated products that may require special, time consuming training. Also, the product requires specific high priced software and computer technology. Finally, the program is prone to errors that can create undesired results.

Opportunities – With a small competitor base the market for VRDs is more highly concentrated. The ability to vary the features of the VRDs combined with the large and diverse marketing segments allow for expanded marketing opportunities.

Threats – A small competitor base that shares the same confidential information creates an environment where gaining an edge can be difficult if competitors are not closely watched. Also, with each firms products have to have the same basic standards, it will be easy for customers to switch to a competing firm if our strategy falls short.