

# Duncan yoyo marketing plan assignment

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Duncan YoYo- Marketing Plan EXECUTIVE SUMMARY Duncan is positioned as one of the largest Yo-yo manufacturer in the world. The yo-yo boom has been decreased rapidly with the fast pace technology and the invention of more varieties of toys and games. Duncan new product “ Yo-yo Light Keychain” is to be marketed in anticipation of its next comeback. The aim of the Duncan is to maximise economic returns for the corporation by penetrating new markets while further establishing Duncan’s reputation for leading in quality and stylish yo-yos.

Core competencies and strengths (such as the positive reputation of Duncan’s yo-yo quality products and the new launch of “ Yo-yo Light Keychain” designed for children to be released in Australia) will allow this product to contend with competitors such as Yomega and Shinwoo yo-yo manufacturers. There is sufficient evidence to support that Roy Morgan’s “ Look at Me” segment will be a massive market for the Duncan’s Yo-yo Light Keychain and therefore the promotion of the new product has been designed distinctively for this target market.

A ‘ price-skimming’ method will be employed for the release of this product and the distribution outlets will alter accordingly. A detailed implementation plan defines this process with key dates and duration of significant events involved with the performance of the Yo-yo Light Keychain over 24 months. Continuous review of sales and profits, as well as market research and innovative practices, will be undertaken to evaluate the performance of Duncan’s new Yo-yo Light Keychain; allowing the corporation to act upon negative deviations from goals, maintain competitive advantage and exploit positive performance. TABLE OF CONTENTS . Introduction

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-----15 1. 0 INTRODUCTION The yo-

yo has been a popular fad throughout world history ever since 500BC.

The first modern yo-yos were introduced to the United States by Donald Duncan in the 1920s. The yo-yo began to become very popular in the late 1940s to 1960s, marketing strategy following the innovative use of TV

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advertising. In period of time, almost every kid in US had a yoyo. The yo-yo boom unfortunately ended when Duncan went bankrupt in the late 1960s, expensive lawsuit to protect the yo-yo trademark from competitors forced the Duncan family out of business. Flambeau Products, who made Duncan's plastic yo-yo models, then took over the company and still owns it to this day (Duncan Toys Company A Division of Flambeau 2008).

One of Duncan's successful marketing strategies was in 1995, TV advertisement with the " Video Boy" commercial which airs nationwide. Commercial positioned yo-yo as the more exciting option to video games and swiped the globe including Australia, Britain and Japan to become yo-yo hotspots. In 1997, Duncan enters into a licensing agreement with Coca-Cola, producing 18 different designs and in 2002, Duncan purchased the assets of Playmaxx Inc and officially securing its position as the number " one" Yo-yo manufacturer in the world (Duncan Toys Company A Division of Flambeau 2008).

In a fast pace technology world, yo-yo's popularity among the kids continue to decrease with other substitutes of more advanced fun games and toys (ABC Transcript 2003). The Duncan name and trademark has continued to be marketed in anticipation of its next comeback.

2. 0 SITUATION ANALYSIS 2. 10INTERNAL Duncan is one of the biggest company's producing yo-yos today and has been around for roughly 89 years as one of the leading brands for yo-yos. Duncan is best known for their quality yo-yos and creative designs.

The company not only has a wide range of different types of yo-yos in their product line, but the products they sell are very affordable so it will appeal to

younger customers and parents who want to buy their kids something cheap and small with lots of fun. Duncan sells its products directly to distributors and wholesalers, in addition they also trade to retailers who sell directly to consumers. 2. 11 PERCEPTUAL MAPS The position of Duncan's products compared to other competitors is illustrated in the perception maps Figure 1 and Figure 2.

Figure 1 – Perceptual Map- Positioning of Product Popularity and Price Figure

2- Perception Map- Position of Product Quality and Price 2. 2External 2.

21Micro-Environment Consumer behavior is constantly changing every day, the trend of the yo-yo's popularity tend to cycle in a 5 year period, when this popularity of yo-yos among kids start to decrease, yo-yo companies like Duncan go on a marketing campaign every 5 years to find ways to bring back yo-yos into their target markets perceptions. This has been proven to be a very successful approach in the yo-yo business (AbsoluteAstronomy 2009).

Competitors such as Shinwoo, Yomega and Yo-Yo Factory are continuously looking for new ideas and ways to improve their products. Duncan Company has recognised that customers are always looking for something new and improved products so they are always looking for original and innovative ways to satisfy their needs. Duncan does not only sell products that appeal to the customers but Duncan also offers a “ Build-A-Skill” instruction program on how to creatively work the yo-yo (Duncan Toys Company A Division of Flambeau 2008). 2. 22Macro-Environment

Political forces/ Legal and regulatory influences Australia has declared a new safety standard to limit heavy metals and lead in young children's toys. The Consumer Affairs Minister of Australia explains that the new standard will take effect January 1, 2010, this will replace the existing Trade Practices Act that bans lead in playthings. This regulation has been noted by Duncan when manufacturing its products (Bureau Veritas 2009). Economic Trends Since the global recession, Australia has been affected and our countries real gross domestic products have declined (Uren 2008).

This can have an effect on the way people in this country spends its money. This could mean more parents or adults will want to spend their money on useful items, food and everyday needs, instead of buying their children toys to play with. Demographic Trends Statistics show that fewer than 25% of primary school kids who get allowance save their money, and more than 82% of these children are influencing their peer groups to go out and spend their allowance on toys or games (Finance First Partnership 2009).

#### Technological Changes

Technology is improving almost every day and new entertainment products are coming out constantly. This can appeal to children in a very effective way, because this generation of children is most likely to be brought up in a life of technology. Products such as gaming consoles (e. g. Playstation 3, Nintendo Wii), New computer games, Ipods and a lot more choices for children today to choose from. With so many entertainment products out there, this can have a dramatic effect in the yo-yo industry and bring the popularity of yo-yos down to a low level.

It also becomes a very competitive trend against the Duncan Company and its yo-yos.

## 2. 3SWOT Analysis | Strengths | Weaknesses | | First launch of Yo-Yo Light keychain in Australia. | Uncertainty about appeal of the new product in the market. | | Product differentiation. | Decreasing popularity of Yo-Yos (ABC Transcript 2003) | | Brand recognition (Duncan is one of the first Yo-Yo companies). | | Recognition of high quality product. | | | Opportunities | Threats | | A lot of money is spent on toys and games (Roy Morgan Research. | Technology constantly advancing (More varieties of toys). | | 2003). | Global recession means less disposable income for parents to | | Opportunity to increase market share. spend on their kids (Chong, 2009) | | Opportunity for brand loyalty. | Strong Competitors (Figure 1 and Figure 2) ??? Brands such as | | | Yomega, Hyper Yo-Yo and Yo-Yo Factory (Yo-yo Nation 2009). |

### 3. 0 GOALS AND OBJECTIVES

Over the next 24 months, Duncan aims to successfully achieve both financial and non-financial status of the company with the following objectives:

Non-financial goals ??? To provide a quality, stylish, convenient and affordable yo-yo product to the 8-12 year old age group. To maintain and enhance Duncan's reputation for innovation and style in Yo-yo's products. ??? Gain a dominant market share of yo-yos sold to the 8-12 year old age group within two years of the Yo-yo Light Key chain's release. ??? Increase brand awareness of Duncan in the target market thereby increasing chances of brand loyalty.

Financial goals ??? To make return on investment of 10% after the first year. ??? To maximise economic returns by the second year.

### 4. 0 TARGET MARKET AND SEGMENTATION

The Yoyo light keychain is a product targeted at children aged between 8 to 12 years, living in Australia.

These consumers are trend conscious kids who are easily influenced by their peer groups. The main benefit for this product is that the target market will recognize it's sleek and coolness so that it'll increase their popularity between peer groups. The Yo-Yo light is a fresh new design product and attracts the young minds of children within the target market, kids who value their reputation and egos. The most likely population that will value this product would be kids between 8 to 12 who love fitting in and being unique if they got this product before any others.

Homogenous segment ??? This product would appeal to those primary school students who have similar and commonality traits between its peer groups. This can pressure friends of the consumer to influence each other to buying the same product, just because it is cool or something they would be interested in too. The Look at Me segment from the Roy Morgan Research (1997) explains that the peers of that crowd are either looking for fun and freedom or looking to stand out. Normally young children in primary schools feel the need to stand out and looking for new and fun toys, this product will gratify them with that need. 5. MARKETING STRATEGY 5. 1Product: Duncan's new " Yo-yo Light Keychain" is the combined success of the two Duncan's existing products, the " Pulse" and " Keychain" yo-yos (Duncan Toys Company A Division of Flambeau 2007). The yo-yo light keychain is combined with the new light up technology, the longer the spin time, the more the light changes colors and patterns it creates. As well as being convenient and portable in the form of keychain it will attract the targeted market group to perceive this new innovative product as a new fad. The



perceptual map displays the positioning of Duncan’s “ Yo-yo Light Keychain” in the consumers’ minds.

The target market for this product are school children between 8 to 12 years old, therefore their positioning of a product or a brand usually depends on the popularity of the products influenced by their peers pressuring them into following the trend and associating that standard to their purchase (Makagosa & Mohube 2007). Duncan’s “ Yo-yo Light Keychain” is positioned in the high popular and affordable price position in targeted consumer’s perception shown in Figure 1. 5. 2Price: Use the price-skimming concept (McDonnell, 2008) to introduce the product at the higher price of \$22. 95.

This price is higher than most yo-yo’s original product, however, comparing to other yoyo products in the market, the Duncan’s new product is unique with differentiation features and still falls under the affordable range price for the targeted market. This price will be reduce down in price accordingly as market growth slows to increase market share. Under the perception map (Figure 2); it is perceived by the targeted market that Duncan’s product is fairly at the range of highly quality product with reasonably affordable price.

5. 3Place: The product will be directly distributed into popular retail toy tores (such as Toys “ R” Us and MR Toys Toyworld) in the first six months, then increase market share by diversifying into department stores (such as Target, K-mart and Big W) at decreased price. Another direct distribution is made through internet purchases on the Duncan’s online store. 5.

4Promotion: The promotion of this product is heavily based on different advertisement methods. The product will gain its initial exposure through

print media such as catalogues and Kid’s magazines (such as dolly and K Zones) to increase its popularity among the targeted consumers.

Special code will be provided in the magazines where consumers can access the internet to the Duncan’s online site, which is also another form of advertisement to check for the matching winning code. 10 lucky winners of each month of the first 6 months of launching will receive a free Duncan’s Yo-yo Light Keychain. Public displays such as bus stops and on buses will be use to promote the targeted consumers as they will be in contact with these displays before and after school every day.

Television commercials will also be use during children-audience programs. Detailed of the implementation of promotional strategy with consideration to its stage of product and product life cycle are outlined in Appendix 2. 6. 0 BUDGET Expenses on implementation of strategies for 24 months are outlined in Appendix 1. 7. 0 IMPLEMENTATION/ ACTION PLAN/ SCHEDULE Duncan’s plan is to start promoting its products through various forms of advertisements to grab the attention of the targeted market before the product is launched into the public markets.

The “ Yo-yo Light Keychain” will be launched at the beginning of November 2009, enough time for the targeted consumers to save up money, attracts other consumers to consider the product as a Christmas gift and for parents to reward their kids for achieving high academic results in the end of a school year. A more detailed 24 months implementation plan is shown in Appendix 2. 8. 0 EVALUATION AND CONTROL PROCEDURES Making procedures to guarantee the company’s ongoing success will include having,

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expenses from monthly and annual report sales are analysed to observe if sales have exceeded or deviated from its goals.

Also regular market research will be conducted for feedback to observe customer satisfaction within the product to be well prepared for upcoming trends, technological change, competitor products and target market behavioural changes. By analysing these factors and promoting innovative thinking within the organisation, Duncan can modify anything possible to its product to maintain its brand loyalty and its market share. The purpose of having control procedures is to identify whether planned activities are being accomplished successfully, such as: ??? Projected or anticipated market share Level of customer awareness of a new product Additionally, aspects of the implementation plan may be executed sooner or later than currently outlined, depending on the performance of the “ Duncan Yo-yo Light Keychain” in successive markets. 9. 0 CONCLUSIONS AND

RECOMMENDATIONS Duncan’s marketing strategies to promote its new product “ Yo-yo Light Keychain” and its share of the yo-yos market should flourish and increase its brand popularity within its target market over the next 2 years. The success of this strategy implementation plan will place Duncan a front runner in the yo-yo industry ahead of its competitors.

Further recommendations, Duncan need to constantly coming up with new products by integrating the newest technology today to its products’ style of design and features. This in the long term will allow Duncan to further increase in the market share and maintain a sustainable position in the Australian Market. 10. 0 REFERENCE LIST ABC. 2003. Fads. <http://www.abc.net.au/gnt/history/Transcripts/s936574.htm> (accessed May 12, 2009) <https://assignbuster.com/duncan-yoyo-marketing-plan-assignment/>

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Roy Morgan Research. 2003. Products – Young Australians survey. [http://www.roymorgan.com/products/young-australians-survey/young-australians-survey\\_home.cfm](http://www.roymorgan.com/products/young-australians-survey/young-australians-survey_home.cfm) (accessed April 26, 2009) Uren, D. 2008.

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Australia ‘ on a verge of recession’ <http://www.news.com.au/business/story/0,23636,23347253-462,00.html> (accessed May 10, 2009) Yo-Yo Nation. 2009. By brand. <http://www.yoyonation.com/home.php?cat=277> (accessed May 12, 2009) 11. 0 APPENDICES Appendix 1: Budget ??? Expenditure to Achieve Strategies (24 months). Promotional Budget | Cost | Total | | TV advertising | Children primetime – \$550,000 | \$550,000 | | Physical Displays | Bus Stops- \$40,000 | \$85,000 | | On Buses- \$45,000 | | Print Medias | Sale’s Catalogues- \$20,000 | \$42,000 | | Magazines (Dolly and K Zones)- \$22,000 | | Web Advertising | \$50/ month for 24 months | \$1,200 | | Total | \$678,200 | Appendix 2: Implementation Plan (24 months) | Number | Task | Start | End | | 1 | Research (Secondary) on Target Market | 1 June 2009 | 14 June 2009 | | 2 | Research (Primary) on Target Market | 7 June 2009 | 20 June 2009 | | 3 | Promotion: Advertisement on bus stops near schools. 1 July 2009 | 26 Dec 2009 | | 4 | Promotion: Advertisement on Buses | 1 July 2009 | 26 Dec 2009 | | 5 | Promotion: Magazine Advertisement | 1 Aug 2009 | 12 Nov 2009 | | 6 | Promotion: Web Advertisement | 1 Aug 2009 | 15 Nov 2009 | | 7 | Launch of “ Yo-yo Light Keyring”- | 1 Nov 2009 | --- | | | | | | Place Distribution: Large Toy Stores (Toys “ R” US and Mr Toys | |--- | | Toyworld). | | | | | | Price: \$22.5 | | 28 Feb 2010 | | 8 | Promotion: TV advertisement of children primetime | 5 Nov 2009 | 26 Dec 2009 | | 9 | Evaluation on 2009 Sales | 1 Jan 2010 | 14 Jan 2010 | | 10 | Promotion: Advertisement on Sale’s Catalogues | 1 Feb 2010 | 14 March 2010 | | 11 | Sale Promotion: Reducing price to \$16.95 | 1 March 2010 | --- | | 12 | Place Distribution: Launch product in other stores (Kmart, Target, Big| 1