

Marketing plan essay sample

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Introduction

Company Q produces the GWell Air Purifier which effectively removes smoke in the air, dust particles, pollen, and other particulates that may cause allergic reactions to young children and sensitive adults.

Company Q's team of engineers and designers developed the GWell Air Purifier through concept and prototype testing. They found that the visual design and features of the appliance is very appealing to potential buyers. Extensive testing showed that this product is a very efficient product in purifying the air. In addition, the company's production process is very efficient and results in a minimal amount of raw material waste. These factors and the small-front investment for the product will enable the company to offer the products at the lowest possible cost in relation to similar products in the market.

The debt-to-equity ratio of Company Q is very low while its credit rating is high. The relationship of the company with current suppliers is excellent, but raw materials are also sourced from other suppliers.

The credit terms offered by Company Q to intermediaries in their distribution channel are typical for the industry. According to marketing research, the QWell brand and logo are readily recognized by most categories of electronics product consumers.

Mission Statement

“ We enable consumers to improve the quality and convenience of their lives by providing innovative electronics solutions.” The Product

The QWell Air Purifier is an electronic product that has a multistage filtration

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system and an ultraviolet bulb for detecting bacteria and germs.

The system effectively cleans the air in enclosed spaces like the rooms of the house of dust, pollen, or smoke at high or low speed, without impeding airflow of the forced-air heating and cooling systems in the home.

The QWell Air Purifier enables consumers to improve the quality and convenience of their lives by making it easy to purify the air using electronically controlled systems. The unit automatically adjusts its fan speed to the appropriate setting suited to the current level of dust in the room. It is a very useful appliance for people with young children in the home or elderly people who are very sensitive to particles suspended in the air which can cause allergies, respiratory problems and asthma attacks.

Consumer Product Classification

The QWell Air Purifier falls under the Shopping Products classification in the Marketing Mix Factors and falls under mix Specialty Products and Shopping Products in the Consumer Factors.

The Air Purifier is a Shopping Product because it typically cost more than convenience goods and consumers will purchase the product only after comparison with competing products on its price and quality. As a shopping product, the GWell Air Purifier has a distinctive physical attribute and service attribute such as after-sale service terms and warranties.

The Air Purifier can be classified as a Specialty Product under Consumer Factors because it offers unique characteristics that buyers are looking for in particular brands. They are also prized higher than regular consumer products but customers still buy them because they are willing to pay for

them. Customers go to the stores to look for them already armed with information as well as consumer ratings and may refuse substitutes. Target Market

The target market of the QWell Air Purifiers is middle to high income individuals and families that are concerned about the purity of the air they breathe. The Air Purifiers are especially targeted to families with young children that are susceptible to diseases, allergies, and respiratory problems including asthma. It is also targeted to older people who have immunological problems and are prone to infections. Competitive Situation Analysis

Analysis of Competition using Porter's 5 Forces Model

Competitive Rivalry exists for the QWell Air Purifier as there are several products marketed under the same classification. However, some of the Air Purifiers being sold in the market produce ozone, even if they are effective air cleaners. Ozone is a respiratory irritant that can aggravate allergies and asthmatic attacks. QWell Air Purifier has a multistage filtration system that does not produce any harmful ozone. In addition, the QWell Air Purifier does not require professional installation and can be installed by the homeowner, equivalent to considerable savings. QWell intends to be the market leader in this industry.

The threat from New Entrants for QWell Air Purifier is in the form of new technologies that may come out with more efficient, quieter, cost-effective cleaner. However, Company Q can compete with new entrants through continuous product development and introduction of improvements and new

features of the product as they are being produced. The capital requirements to develop the same product are considerable because of the technology requirements/development of the product. The internet will not be too much of a threat as the product is big and will entail considerable shipping cost. The internet may even be helpful as product description and promotion can be done online, so that consumers will look for the outstanding features of QWell Air Purifier when they go to the stores.

Buyers can also pose a threat to products when they post negative reviews about a product on the internet. Many buyers also expect discounts if they consider the Air Purifier a specialty item. Company Q can cope with threat from buyers by ensuring that the products that reach the stores are of superior quality and by strict quality control measures, as well as research and development for the improvement of the product. The threat from buyers is low in this case as the product is differentiated.

The threat from Suppliers to Company Q may come from material sourcing, but the technology does not use specialized materials that are exclusive to one supplier. The secret of the QWell Air Purifier is the construction of the unit and the filtering design, not dependent on any one specific material. Switching from one supplier to another may be an irritation or inconvenience, but not impossible. The company is an important customer and will establish a firm relationship with its suppliers.

The threat from substitute products is low as there are not too many substitute products available. The price of QWell Air Purifiers is competitive

and the quality is differentiated and better from other products of the same classification in the market. SWOT Analysis

SWOT is the acronym for Strength, Weaknesses, Opportunities and Threats. It is a structured planning method for evaluating a project or a business venture, and can be carried out for a place, person, or product. Opportunities and Threats are considered the external factors while Strengths and Weaknesses are the internal factors over which an individual or the organization has some measure of control.

SWOT as a tool is used for auditing and analyzing the strategic position of an enterprise or business and its environment. The main purpose is identifying strategies that will best determine how to maximize and align the resources and capabilities of the organization to the operating environment. It is used in the evaluation of the internal limitations and potential of a business venture and the existing threats and opportunities from external sources. Businesses build on their strengths, rectify their weaknesses, and devise remedies and protection against external threats. Successful businesses are also on the lookout for new opportunities and keep careful watch over their operating environment. STRENGTHS *indicates core competency

Strength 1* - outstanding product technology

Strength 2* - committed officials/employees

Strength 3 - efficient production and distribution

WEAKNESSES

Weakness 1 - limited product line/product range

Weakness 2 - complex decision making process

Weakness 3 - need for marketing expertise

OPPORTUNITIES

Opportunity 1 - preoccupation of people with health/wellness Opportunity 2 - continuing degradation of the environment and worsening air quality conditions Opportunity 3 - educating people through the internet

THREATS

Threat 1 - ever changing technology

Threat 2 - prices published online for the same product classification but sold only in emerging countries Threat 3 - employee turnover

Strengths

The strength of Company Q is in its product technology which is also a Core competency. QWell Air Purifiers are manufactured with a multistage filtration system and an ultraviolet light for germs but do not produce ozone. Other similar products sold in the market do not have the same technology. Many Air Purifiers produce harmful ozone which is a respiratory irritant.

QWell Air Purifiers also have committed officials and employees because the primary official and major stockholder of the company holds the key to the technology. This key person has loyal employees working under him for continuous product research and development. This is another Core Competency of Company Q.

Another strength of the company is its efficient production and distribution. Since the officials and employees are committed to the product, they ensure that production is done in an efficient manner and is serious about quality

control measures. The distribution aspect is done by another trusted and competent person. Weaknesses

One of the weaknesses of Company Q is its limited product line or product range as its core competency is the manufacture of Air Purifiers. It must develop other related products like dehumidifiers, water filters and other small electronic units useful for homemakers.

Another weakness of Company Q is the complex decision making process because of the authoritarian nature of the major stockholder and technocrat. The main focus of the company is on technology and production as well as logistics and distribution.

Another weakness of Company Q is in marketing and promotions. Even the best products have to be marketed and sold. Since the major stockholders of the company are technology and production experts, there is a need to find competent marketing and sales personnel for the promotion and revenue generating aspects of the business. Opportunities

The present preoccupation of people with health and wellness is an opportunity that should be maximized by Company Q. People these days are more aware of the problems brought about by allergens and particulates in the air. This growing awareness makes them look for and buy items that can keep them healthy and free from contaminants in their environment.

Another opportunity for Company Q is the continuing degradation of the environment and worsening air quality conditions which make it necessary for those who can afford to buy an Air Purifier to buy the product. It is no

longer a luxury but a necessity for many people to improve their living conditions inside the home, as the outside conditions continue to worsen.

Another opportunity to exploit is the education of people using the internet regarding air contaminants and its adverse effects on the health of people, especially young children and older people. The more people realize the dangers of impure air, the more they will be inclined to look for and buy the product. Threats

The major threat to Company Q is the ever changing technology. The company should keep abreast of modern technology and continue with product innovations and development so that the product will remain the best in the market. While the internet can be an opportunity, prices published online for the same product classification but sold only in emerging countries can drive the price of the product down in Western countries. The cost of production in emerging countries due to lower labor costs and other costs make the products less expensive, which is a different case in developed countries. Employee turnover is another threat because the technical aspects of production are specialized and protected. Leaving employees have been trained extensively and may go to work for competitors. Employee training is costly, so employee turnover is added cost, and a reduction in revenue. Market Objectives

Product Objective

The Product Objective is to launch QWell Air Purifier to be the best selling Air Purifier within the year. This can be accomplished by ensuring the production

conforms to quality and productivity standards, and that the product development is continuing through research and innovation. The products are also designed attractively to blend well with any home décor.

Price Objective

The Price Objective is to sell QWell Air Purifiers at the lowest Cost Plus possible to be competitive with other products in the same category. This can be accomplished by reducing production costs through efficient and effective raw material sourcing and reducing production costs through efficiency and maximized productivity. Overhead costs will also be analyzed for maximum savings on overall costs.

Place Objective

The QWell Air Purifiers will be distributed nationwide, through the network of major appliance stores in major cities. This will be accomplished through reaching an agreement with national network of major retailers with branches in major cities. Other retailer outlets with fewer branches will have to be visited and arrangements made for efficient deliveries. An internet presence must be established to inform the consumers/public about the product and so that they can make inquiries and place online orders.

Promotion Objective

The QWell Air Purifier will be promoted as a product to help alleviate health problems. This will be accomplished by designing flyers and brochures focusing on the problems with contaminated air. The product will also be introduced and promoted in health and wellness trade fair and exhibit and

other related trade fairs. A writer should also be engaged to write about the dangers of air pollutants. These should be submitted as articles in informative websites and to major newspapers and magazines as press releases.

Marketing Strategies

Marketing Strategies are steps and processes undertaken by organizations so that their resources are concentrated on opportunities to optimize growth, increase sales, and achieve competitive advantage. The marketing strategies consist of short and long-term activities dealing with analysis of the start-up situation of the company, and the formulation, selection, and conduct of market-oriented course of action to reach the goals of the company.

Product Strategies

Ensure that production conforms to quality and productivity standards
Continuing product development through research and innovation
Product should be efficient but should also attractively blend with any home decor

Price Strategies

Reduce production costs through effective raw material sourcing
Reduce production costs through efficiency and productivity

Reduce production costs through savings in overhead costs

Place Strategies

Reach agreement with national major retailers with branches in major cities for distribution to their branches
Distribute to the major retailers in other

major cities

Establish an internet presence for product information and for accepting online orders
Promotion Strategies

Design flyers and brochures focusing on the problems with contaminated air
Promote the product at health and wellness trade fair and exhibit
Hire a writer to write about the dangers of air pollutants and the benefits of Air Purifiers

To accomplish the product objective of launching QWell Air Purifier to be the best selling Air Purifier within the year, Company Q will ensure that production conforms to quality and productivity standards so that there will be customer satisfaction, and word-of-mouth promotion. There should also be continuing research and innovation for product development to keep up with the advances in technology and to modify the product to better suit the needs and wants of customers according to feedback and survey. Product research and development will also result in expanding the product line of Company Q to maximize its production capabilities for greater profitability. The product should also look attractive and produced in different colors to blend with the color scheme of homes and look harmonious with home decors.

To accomplish the Price Objective of selling QWell Air Purifiers at the lowest Cost Plus possible to be competitive with other products in the same category, Company Q's Purchasing Department is directed to study raw material sourcing and procurement to obtain the lowest cost of raw materials, and to find alternate sources of raw materials, so that Company Q

will not be held hostage by only one supplier. Production costs can also be reduced if quality and productivity methods are followed by the Production department, resulting in efficiency and higher production levels at lower costs. Production costs can also be reduced through savings in overhead costs like electricity, machinery replacement parts, supplies and materials, overtime pay, utilities, and others.

To accomplish the Place Objective of distributing QWell Air Purifiers nationwide, Company Q's marketing department will find the major appliance stores with nationwide distributorship and branches so that Company Q's logistics problems get solved by talking to just the main offices of these retailers and distributors and forging a partnership agreement. After a few months, as production capacities increase, Company Q can talk to other appliance stores and electronics outlets in major cities and arrange for deliveries of QWell Air Purifiers in these outlets in cities without a national corporate office or distribution headquarters. An internet presence (websites and blogsites) for informing the public about the product, and other pertinent information as well as for accepting online orders will eventually be put up.

To accomplish the Promotion Objective of promoting the product to help alleviate health problems, flyers and brochures will be designed focusing on the problems with contaminated air and the benefits of an Air Purifier to help alleviate or remedy the problem. The flyers and brochures will be distributed and the same materials will be posted in the company website and blogsites. The product will also be displayed and promoted at health and wellness trade fairs and exhibit and other trade fairs such as those for electronics and

home appliances. A writer/designer will be hired to write about the dangers of air pollutants and the benefits of Air Purifiers on a continuing basis for consumer awareness which will be submitted in informative websites and major newspapers and magazines as press releases and informative advertisements.