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Business Plan for Skating Company

1. Products and Services

a) Description

The product list is as follows:

- Speed skates- For experienced skaters
- Ice skates- For people who want to skate on the snow
- Roller skates- For starting skating; for novices only
- Children skates- For kids, a major customer base the company is trying to create
- Artistic skates- For dance and freestyle skating

Each of these products is designed for a specific customer base. The aim is to brand the right product to the right group.

Besides service of 24/7 is given via phone calls and emails. The customer care has to get back to the customer within 12 hours, with a solution.

b) Price

The products are priced as below:

- Speed skates- \$50 to \$200
- Ice skates- \$40 to \$150
- Roller skates- \$20 to \$100
- Children skates- \$10 to \$50
- Artistic skates-\$200 to \$700

The price ranges are thus determined as per the target customer base. The

speedier skaters, who do it professionally or for fun, can afford upto \$200. The ice skates are precarious, and thus priced slightly low. Roller skates are for novices and they must pay a small price, because they are just starting out. Children are not the money target, its more about loyalty marketing. So, children skates are very cheap. The artistic skates need several features, and thus are priced high.

The customers would most definitely buy the skates, because a market brand value has to be build. The products are priced appropriately, and thus customers would pay for them.

c) Competition

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The price comparison with competitors shows that new companies are giving skimming prices, whereas the old ones are form with rates. The benefits are same, mostly, but the artistic and children skates are exclusive to the company, and must be promoted aggressively.

d) Research and Development

Further research is being done on children skates. The products will be attractively colored and designed, so that children are attracted to it.

f) Professional Development

The costs have to be monitored continuously. The pricing has to go up and down, predicting the demand for skating at a particular point in time. The marketing has to be via mouth-to-mouth, as well as via telemarketing and internet marketing.

2. Pricing Strategy

- Selling Price

The products are priced as below:

Speed skates- \$50 to \$200

Ice skates- \$40 to \$150

Roller skates- \$20 to \$100

Children skates- \$10 to \$50

Artistic skates-\$200 to \$700

b) Cost of Materials

For each brand of skates, the cost price is 80 percent of the Selling Price.

c) Cost of Selling

For each telephonic marketing, a commission of 2 percent on each of the skates has to be given to the telemarketing company. There are fees for internet marketing too, at around 10 percent of total sales per month.

3. Pricing Policy

a) Pricing Scheme

The pricing scheme was decided at per hour basis. For each hour, 20 percent men more employed produced effective results. This 20 percent is compensated in prices, by keeping selling Price 20 percent above Cost price.

b) Delivery

The products are delivered in person, by salesmen of the company, after an order is placed. There is also provision of customer care via phones and

emails.

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c) Payment Policies

Flexible payment policies are provided for. There are options of down payment, credit cards, debit cards, and cheques.

d) Distribution

Distribution usually takes place via postal service and couriers, as these are considered safe and fast.

4. Description of Total Market

- Total Market- It is the target customer who is learning to skate, or are skaters on a professional level.

Geographically, Ontario is one of the best places for skating, so target is this place itself.

- Market Factors
- Demand for skates
- Climatic suitability for skating
- Holiday season
- Pricing of the skates

c) Economic Environment

Ontario is going through an economic crisis. Thus, any business, be it skating in this case, will suffer some setback. The prices for skates have to go down.

5. Industry Trends

- Demographics

The regional interest in roller skates in Ontario has been examined in the

period from 2004 to the present. According to google trends, the general interest in Mississauga 77, Brampton 69, Toronto 73, Hamilton 100, London 78, Waterloo 72, and Ottawa 70.

In the related researches, the compiled data show that:

- Inline roller skates : 100
- Inline skates: 95
- Roller blades: 95
- Roller skates Canada : 90
- Roller skates Toronto: 75

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- Roller derby: 75
- Roller derby skates: 75
- Roller skate: 70
- Roller hockey skates: 60
- Roller skating: 45

Please refer to the back-up documentation in Appendices

b) Market Growth

The target market is, unfortunately, deteriorating. There has been a price decrease in the skating business, since the economic environment is not conducive to the growth of the business. Thus, the market growth has decreased. Skating is seasonal as well, and thus its market growth fluctuates as well.

6. Target Market

a) The Customer

The target market is skaters- both novice and experienced. There is increased emphasis on building a customer base of children, and artistic temperments.

b) The Competition

The competition is due to predatory and skimming pricing. The company has to build a loyal customer base for emerging the best out of competition.

c) Market Advantage/Niche

The company has the distinctive advantage of child skates and artistic skates. These help in creating a niche customer base. There are various patterns of design to help in free motion, amnd colorful skates to attract kids. The Company has to aggressively promote the same.

d) Risks

There are market risks involved. The skating business is fully functional only during seasons, and thus this is a perpetual risk. The competitors might start designing their own child and artistic skates, so the company has to copyright these two products too.

e) Future Sales

\$1million. The sports industry is growing, and the skates may be transported outside the country for an increased price too. However, market conditions not being good, and with economy recovering, it might take a few losses too.

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7. Marketing Plan/Strategy

a) Preferred Methods

Since it is a relatively new business, all sorts of advertisement will be

needed. There must be word-of-mouth promotion, telemarketing, internet marketing, as well as free demos. The company can visit shopping malls and organize games in skating. There can be more focus on organizing skating seminars, and free lessons to kids. This can help in promoting skating. As soon as skating is promoted, the products, with their distinctive patterns, can be introduced. The pricing can be explained as well, and then the customer loyalty grows. Prompt telemarketing and internet marketing is also needed. The websites have to be designed well, and easy to use. Telephonic replies must be prompt, and courteous.

- Marketing and Advertising Plans

The team has to design a strategy of dividing the customer base. The target customers have to be handled by separate teams. For novices, skating as a sport needs to be promoted first. There must be greater impetus on the promotion of roller skates, and free demo lessons. Children should be called for skating parties, and the importance of skating made clear to them. For the dancers and artists, the importance of Artistic skates must be made clear to them. The skates must be introduced at a slightly lower price. Once sales start booming, the need to be brought back to original pricing. There should be good customer care service, and prompt services. Delivery should be timely, and the payment methods flexible and dynamic. There should be telemarketing, hoard bills, and website promotion too. A sports star may be appointed to be the face of the brand. Free gifts for the first 6 months of promotion may be given, for every purchase.

- Service Policy

There is a guarantee period of 6 months and a warrantee period of 6 months,

too. There must be policies for customer care feedback within 24 hours from the first customer call, and a return back guarantee of 3 months. There is a complaint and feedback center, for 24 hours. There is a team to handle all service policies.