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Marketing Plan XXXXX University, BUSN 319 Team D (Team Members Names) Prof. XXXXX XXXXX April XX, 200X XXXX XXXXX, Inc. Franchise Opportunities (Insert Graphic) Improving your outlook Executive summary Introduction XXXX XXXXX, Inc. franchises provide professional commercial and residential window cleaning, blind cleaning, gutter cleaning, and power washing services to commercial and residential customers in your, and potentially surrounding counties. Your potential clients are businesses and homeowners who want to maintain sparkling storefronts and hygienic homes.

Franchises are granted on a county by county basis based on population densities and economic demographics. Our twenty years of experience and professionalism has made XXXX XXXXX, Inc. a market leader in the professional window cleaning industry. Business Concept XXXX XXXXX, Inc. franchises offer a variety of commercial and residential service levels tailored to the specific needs of the client. These services can be offered on a weekly, monthly, quarterly, semi-annual, and annual schedule.

The commercial service component will maintain the appearance of storefronts so that potential customers will not be distracted by sullied windows. Residential customers benefit from an unadulterated view of their surroundings and enjoy the freedom from cleaning screens, gutters and windows. Power washing and gutter cleaning are lucrative sidelines that provide customers home maintenance service that they themselves seldom want to do. With the increase in need of service oriented providers now is a great time to start your own business.

As a Franchisee, you will join a nationally recognized company with a proven system and performance track record. XXXX XXXXX, Inc. will provide you with everything you need to get your franchise up and running in as little as two weeks with the possibility for growth only limited by your goals. Mission Statement The mission of XXXX XXXXX, Inc. , and its franchises, is to improve the outlook of the world thereby enhancing the quality of life for businesses and homeowners by providing efficient, courteous and professional window cleaning service. Date of Inception

Your franchise can begin in as little as two weeks. If you have made the determination to be your own boss, if you have always dreamed of setting your own schedule and working as much or as little as you wish this is the opportunity for you. The potential for growth is limited only by your dreams and desires. Management / Ownership XXXX XXXXX, Inc. franchises are incorporated, but it is up to you to choose the option that is right for you. Franchises can be established as a C corporation, an LLC, or an S corporation. All stock can be controlled you, or you can open a franchise with a partner. (Note 1) Plans, Goals, and Objectives In as little as one year your XXXX XXXXX, Inc. franchise can build service commitments from over 400 clients and have plans to aggressively build your client base year after year through newspaper, local radio and direct mail advertising. The potential exists to increase your franchises clientele base by 500% over a period of five years\*. Work as much or as little as you like. Growth is only limited by your effort and desire. XXXX XXXXX, Inc. will be there every step of the way with a proven system to attract and maintain a solid customer base and grow your business. (Note 2) In order to facilitate this expansion your XXXX XXXXX, Inc. franchise may need to hire full time employees. Marketing Plan Industry Overview Professional window cleaning is part of the US commercial and residential cleaning services industry. The industry as a whole is comprised of building maintenance, landscaping, and cleaning services. Professional window cleaning as an industry has excellent earning potential with low overhead and high profits. On average profit margins are 65% or more. Marketdata Enterprises, Inc. 2008) research estimates the US cleaning service industry to be comprised of 527, 000 mainly small operators, including 39, 200 franchise units. Window cleaning accounts for approximately 3% of these totals. The window cleaning market is comprised of both commercial and residential components. As a XXXX XXXXX, Inc. franchisee you will be provided the tools and the training to tap into this growing market and create your own future. Commercial accounts are preferred for their reliability and regular scheduling. Regardless of seasonal changes commercial accounts provide a steady source of income.

The residential component is usually higher dollar, and accounts for a much higher number of potential customers, but frequency of scheduling can be a limitation. The National Home Builders Association estimates that, “ there are 110 million single family homes in the US and more and more of these are being built with open floor plans with an average of 25-35 windows per residence. ” This represents a huge potential market in any given community. (Window gang, 2007) This market segment also includes multilevel homes which are even more lucrative.

According to The Fredonia Group (2003), “ US commercial and residential cleaning service sales are forecast to grow 5. 3 percent annually through 2011. ” This combined with the fact that the baby boomer generation will enter the retirement phase of their lives creates a unique opportunity. Labor Statistics (BLS) projects a labor force of 162. 3 million individuals in 2012 and expects that the economy will require 165. 3 million jobs to be filled. (L’Allier, 2005) This is an excellent time to be your own boss. Supply of skilled artisan labor will be down and demand will be up.

Position in the Industry XXXX XXXXX, Inc. franchises offer professional window cleaning, blind cleaning, power washing, and seasonal gutter cleaning. Your primary advantage in this lucrative market is very low competition in an under staffed niche of the cleaning service industry. Standard home cleaning and maid services offer little in the way of window cleaning services. XXXX XXXXX, Inc. franchises may have seasonal fluctuations however the addition of part time seasonal\* help during peak operating periods or full time employees would help to overcome this limitation.

Seasonal position could become full time when the number of your franchises service accounts increase to support the position. Seasonal fluctuations also vary by location. \*(Appendix B. ) Industry Affiliations XXXX XXXXX, Inc. is a member of the International Window Cleaning Association (IWCA). The IWCA is a non-profit trade association “ committed to raising the standards of professionalism within the window cleaning industry. ” (IWCA, 2008) The IWCA offers trade seminars, safety training, and high access certification. As a member your XXXX XXXXX, Inc. ranchise will be listed in the IWCA directory further maximizing exposure and validating your professionalism. As of October of 2001, ANSI approved some guidance to be added to provide a safer environment for window cleaners. “ ANSI/IWCA I-14. 1 is not a law, but rather a set of standards and regulations. It is not a regulation that XXXX Inc, abide by these standards, however, it shows a commitment to work safety. Therefore, should an accident occur, the potential for penalties, fines and / or liability judgments would be lessened if a company can showed good-faith effort in implementing procedures that help keep workers safe.

Workers could potentially repel from buildings up to100ft in height. So it’s important for employees to receive proper training and attend safety classes to ensure their safety. Each employee is required to attend certain amount of hours and must pass a test before they will be sent out on jobs. IWCA Safety Certification Program (formally the IWCCI) offers the learning material, and evaluation that will help you and your team of professionals to do extremely well. Once they have completed their classes, they are IWCA Certified. Once certified the company benefits from: ?

Exceptional educated and safety conscious employees ? Greater respect from customers ? An advertising point which raises the level of professionalism in the industry ? The potential for reduced insurance costs Target Market The target market of XXXX XXXXX, Inc. and its franchises is comprised of two segments, commercial and residential. Commercial customers vary by age from mid thirties to mid sixties. Business locations for these customers vary from inner city storefronts to peripheral strip malls. Commercial accounts range from small storefronts to large corporate multi-story buildings.

Commercial cleaning contracts may range from weekly, bi-weekly, monthly, quarterly, semi-annually, and annually. Residential customers range in age from the mid thirties to seniors well into their eighties. Median household income varies based on location. Most long-term customers are established executive type families or retirees who have the resources to cover services they no longer wish to do themselves. Data for your franchise location will be gathered from census data and an economic and psychographic profile will be part of your franchise package.

This will allow you to tailor your franchise to maximize profits. Target Market Projections Demand for professional window cleaning services are currently higher than the number of business entities in the industry. Approximately 20% of the 1000 households recently surveyed through our mass mailing indicated that they were interested in this service. For one recent franchise this equated to approximately 13, 569 residences in a single franchise territory. At an average of 20 windows per residence this represents 265, 184 panes of glass. These numbers represents a huge window of opportunity. Your XXXX XXXXX, Inc. ranchise will be well situated for the current and future demographic shift by the baby boomer generation toward utilizing service industry personnel to perform duties that they no longer care to perform themselves. In economic terms this target market is financially stable. Marketing Strategies XXXX XXXXX, Inc. franchises will be established by using a three part marketing program. The first stage will focus on increasing the total number of customers. Word of mouth being first and foremost, attention to detail and customer service will be our highest priority. Our target market is the country club set.

This socio-economic group tends to expound to their friends the virtues of quality companies that they do business with. The second strategic area is our pricing. Currently our prices are intentionally low with the purpose of breaking into the market with low cost high value service. Once established, XXXX XXXXX, Inc. franchises will be able to implement annual increase proportionate with cost of living standards. Our third area of focus will be to increase the frequency of services. Customers who initially begin as annual customers will be asked if a semi annual call would be appreciated.

Semi annual customers might be encouraged to become quarterly customers and so on. Incentives may be offered to entice customers to increasing the frequency of cleanings. Advertising The category and amount of advertising will be determined by the proprietor of each XXXX XXXXX franchise. Several options exist to gain attention and build your customer base. Advertising media can be chosen to target specific segments of the population. Yellow pages listings work 24 hours a day, 7 days a week, and 365 days a year for your business and provides excellent local coverage.

This type of advertising is economical with prices ranging from $800 to $3, 200 per year depending on the type and size of listing. A simple listing consisting of business the name and number costs about $2. 19 a day. A color quarter page listing complete with logo would cost about $8. 77 per day. Television advertising may be a feasible media plan provided initial capital is available. This media option provides a wide market contact, but slots would have to be well chosen and this media provides limited exposure time (30 to 60 seconds a day). Prices vary by time slot and target market.

A 30 sec advertisement during the morning news costs $10, Daytime programming $25 – $50, Prime time $200- $600, 6 and 11 o’clock news $300. Advertisements cost $100 per hour to produce with most taking 3-4 hours to film and edit. 60 second spots cost double the 30 second amounts above. Newspaper advertising is an excellent option for your XXXX XXXXX, Inc. franchise. Local newspapers offer several potential service levels tailored to specific target markets. Service level exposure ranges from 83-92% depending on the frequency of advertisement placement.

This advertising media provides excellent local coverage and can be tailored to specific categories such as; single families, empty nesters, and affluent. A Level 1 advertising campaign with 83% reach consists of 2 advertisements per week on any two days. This option cost $165 a week for four weeks with an option to extend to 13 weeks. A Level 2 advertising campaign with 87% reach consists of 1 weekday advertisement, 1 weekend advertisement (Saturday or Sunday), and 1 online full time advertisement for 4 weeks. This option costs $180 per week for four weeks with an option to extend to 13 weeks.

A Level 3 advertising campaign with 92% reach consists of 2 weekday advertisements 1 weekend (Saturday or Sunday), 1 online full time advertisement for four weeks, and a spot in a weekly advertiser has the potential to reach thousands of households with random mailings for $215 per week. Local newspaper also run seasonal specials with package options such as advertisements running on (Thurs, Fri, Sat) consisting of a 2 column color spot for $390 per week. These advertisement measures 3. 6 in across x 5. 75 long and company logo’s can be utilized. Billboard advertising offers a low cost advertising option.

Outdoor billboard advertising offers packages ranging in duration of four weeks to 1 year. To maximize exposure billboard advertising should utilizing a mix of locations based on engagement length. With a one year advertising contract one location may work well. If the campaign were to run for four weeks multiple locations may be a better option to maximize exposure. On average this option costs about $30 per day. With the proper location this could reach thousands of people a day. Radio advertising is a low cost highly segmented advertising option.

According to the Kerin (2005), “ There are seven times as many radio stations in the United States as television stations. ” This media could be used to reach potential customers on their way home for the weekend with a catch phrase reminding them that XXXX XXXXX, Inc. will take the “ pane” out of window cleaning. Competitive Analysis A competitive analysis will be provided with your franchise license based on competition in your area. This will contain information such as the number of competing professional window cleaning firms, the make up of these firms and an overall rating based on Better Business Bureau standings.

You will be provided with a matrix similar to the one below. The matrix below is based on a scale of 1-5 with 1 being lowest and 5 being highest. Competitive Analysis Matrix FACTORMy BusinessStrengthWeaknessCompetitor ACompetitor BCompetitor CImportance to Customer Products4Good selection of cleaning servicesCurrently don’t perform services such as scratch removal5435 Price3Very affordableCould raise rates for more profit5344 Quality5Excellent quality serviceIncreases production time3435 Selection4Full range of scheduling options Increased scheduling conflicts4445 Service5Committed to excellenceLimited to one operator5445 Reliability55545

Stability4Established clienteleLimited to one operator4442 Expertise56 years subcontracting 4 years independent—5555 Company Reputation5Excellent with 90+% retention—4435 Location5Home based is advantageous but limitedNeed commercial location5552 Appearance5Company logo attireCould be improved slightly with collared shirts5534 Sales Method4Good word of mouth referencesNeed to increase conventional advertising4442 Credit Policies590 days same as cashImproved tracking / automation5543 Advertising3Excellent word of mouth / current client baseNeed to increase conventional advertising3333

Image5Excellent perceived imageViewed as a small company5445 Pricing Price schedules vary from company to company. Some window cleaning companies charge based on the number of window panes. Others charge by the hourly, or by the square footage of the residence. Window Cleaning Directory (2007), supplies this industry average for window cleaning services, “ a general cost for just window cleaning is about $3 to $8 per pane of glass. For example, a 1, 300 sq foot house may have about 20 panes of glass and would cost about $60 – $160; if you have a third floor windows or higher the cost usually runs about $3 to $6 dollars higher per pane. XXXX XXXXX, Inc. franchises calculate costs based on the frequency of cleaning and location of the window. Commercial rates range from $3. 00 per pane on an annual basis to $2. 50 per pane weekly. This would be for interior / exterior and sill cleaning. Residential rates range from $2. 50 to $2. 00 based on the frequency of cleaning and location of the window. This price would be for interior / exterior and sill cleaning. Screen cleaning is available at a rate of $1. 00 per screen. These rates represent first floor windows with prices increasing as height increases.

The price increase for higher window is a product of increased risk and insurance costs. XXXX XXXXX, Inc. franchises also offer power washing and seasonal gutter cleaning with price based on the size of the location. Average gutter cleaning cost is $25-$40 dollars. Power washing is $25 per hour. Customer retention plays an important role in the service industry. XXXX XXXXX, Inc. can utilize monthly and yearly specials to gain and retain customers. This could be accomplished through referral programs or package deals.

Customer loyalty rewards are another option such as if you are getting your windows cleaned for your home, and we will offer for every five cleanings you will get the sixth one at half price. Customer referral discounts are another excellent way to attract new customers. Utilizing existing customers as proponents for your business gives new customers a peace of mind over hiring a company that they are trying for the first time. Your existing customer is also rewarded with a discount on their next cleaning further building your positive relationships.

For business consumers may be offered initial one time free cleaning provided they sign a six month contract. These types of incentives may stimulate new business thereby guaranteeing business on the books for at least six months. Location XXXX XXXXX, Inc. franchises can be initiated as a home based business or a commercial location can be selected depending on resources. The home based approach provides a solid economical starting point, however in order to facilitate forecast growth plans a commercial location, and the addition of employees may be needed.

County seats traditionally contain federal buildings, churches, hospitals, and universities and make excellent locations for building customer accounts. Financial Plan XXXX XXXXX, Inc. franchises require minimal funding for the initial start up phase. The combination of low overhead, nominal inventory and high profit ratio will result in strong positive growth within the first year. Aggressive marketing and additional employees will further increase this profit ratio. Ideally within five years clientele could increase by a factor of 500%.

The franchising fee for your XXXX XXXXX license and basic equipment is $15, 000. This includes all the franchise agreements, equipment you will need to service customer accounts, and two weeks of training for yourself and up to two employees. Additionally franchisers will need approximately $20, 000 in liquid assets to provide a buffer for your business during the first year. This is not required, but recommended. The financial plan below is included to provide an idea of a typical first year breakdown. Results may vary based on total number of clients involved and differences in business desires.

Some franchisers build a full time company while others such as semi-retired individuals prefer to only work part time. This opportunity works in either capacity giving you the freedom to work as much or as little as you choose, full time or part time. Franchise Rules We at XXXX XXXXX, Inc. want all of our franchises to be successful. Therefore we have devised some simple rules to maintain uniformity and increase the chances of success for anyone purchasing one of our franchises. Consistency is vital to success therefore we provide the following rules as a blueprint for all franchises.

I. Follow the turn key formula for success that has work time after time. By being consistent across the board a customer we feel that you have the same great reputation as the original founder. II. Keeping marketing promotions consistent as to not compete with yourself. By finding out what the other franchises are offering, this will seem as though the company is one. III. Keep the appearance of your location uniform with others. Customers feel at home with a recognized and familiar company. Customers should feel the same when visiting any one of the XXXX XXXXX, Inc. ranchises. IV. Please make sure all employees have excellent customer service and know the rules whenever they are visiting a home or any commercial business. Being professional at all times. They should wear the assigned uniform shirt so the customer knows they are from XXXX XXXXX, Inc. Remember one bad customer relation can effect everyone’s business. V. Every job should be performed the way XXXX management has trained them to do it. VI. Make sure you have everyone’s job description clear and precise so no one drops the ball on any service.

VII Keep your over head as low as possible in the beginning. VIII. Have your territory clear so you are not taking another franchises customer base. We want everyone to be successful and fair. IX Have a business plan for the next two years so you can have a clear idea of what kind of growth you need to be profitable. X. Have fun, and we wish everyone great success! Start up Costs (Insert Graphic) Breakeven Analysis (Insert Graphic) Based on projected sales figures of $45, 075 at $1. 31 average per window your XXXX XXXXX, Inc. franchise can potentially clean 34, 409 windows annually. (Note 3) Break even point falls at approximately 13, 110 windows. This equates to a fixed annual cost of $17, 174. 10. This is an estimated break-even amount and individual results may vary. (Appendix B) Averaged annual earnings Starting Balance Sheet (Insert Graphic) \*(Note 4) Balance sheet calculations subject to change dependant upon financing. This is an estimated starting balance sheet and individual results may vary. Pro forma Income Statement (Insert Graphic) \*(Note 5) Total Net Profit based on one man operation. Cash Flow Statement\* (Insert Graphic) (Note 6) (For seasonal % breakdown see appendix B. ) Notes 1. Page 4, the type of corporation or partnership that best suits your needs should be established through consultation with a tax advisor and an attorney. 2. Page 4, Individual results may vary by region. 3. Page 12, Based on a one man operation. 4. Page 13, Long term debt: This represents initial start up data (4-1-2008). XXXX XXXXX, Inc. franchises are calculated as not currently having any long term debt. Debt can been limited to a revolving line of credit. 5. Page 14, Pro forma financial data: With the addition of mployees potential Net profit could increase 663%. 6. Page 17, Percent of sales break down per month. Dollar percentage represents seasonal break down of sales. 7. Page 21, Seasonal increase Dec. : Increase in November / December sales due to holiday cleanings. Appendices and Exhibits Appendix A (Insert Graphic) \* \*(Note 7) December increase due to holidays. Appendix B (Insert Graphic) Works Cited Adelman, P. J. , & Marks, A. M. (2007). Entrepreneurial Finance: Chapter 5 tables. Upper Saddle River, N. J. : Prentice Hall CleanLink. Contracting Profits.

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