

Creation and aspects of a product plan

Business



INTRODUCTION

Origin of the Report As we are doing Marketing Management, our course instructor Prof. Dr. Mijanur Rahman has instructed us to prepare a paper on the product plan. Purpose

To get a clear concept how to make the product plan

To acquire knowledge how to make mission, vision, marketing mix etc.

Limitations 1. We did not collect the current information related with our product. 2. We had to give lot of times to collect information about competitors, market situation because enough information not available.

Research Methodology Secondary:

Internet: [www. google. com](http://www.google.com) , www. ekipidia . com, Source: [thedailystar. net](http://thedailystar.net)

Other: Collected information from marketing report, magazines, running newspaper. 1: 00

CURRENT MARKET SITUATION

Today the chips market is dominated by Potato Crackers, Mr. Twist, Meridian, Cheese Ball, Lay's, Sun Chips and other chips. We find out that, there is no high quality chip which is suitable for children health. But we found much normal category chips. Our product quality is more high comparative to the other competitors, because our main ingredients is Mushroom which is totally new flavor and taste and also work against for the cancer.

So it's a big gap that we find out. Our new chips has been received a new market challenge to cope with them. At the very beginning, our sale will be low, profit will also be little. We hope that we will be able to get the first

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mover advantage, because there is no such product especially for children health. Market Description: We know, the market means potential customers of a product or service. Bangladesh is a highly populated country. The birth rate is very high. As a result the children rate is also very high. We are not producing our product not only for children but also for teenagers, young generation.

So our total target market is very large. Market demands of market will also increasing as much we can position in our customers mind. (All this figure are estimated depending on class and age to have an idea about demand on chips on this variables) This is our target market. We want to target children as well as young people of middle and higher class of people. We are not eliminating lower class people but first we want to create demand for our product then we will try to reduce our product price and serve to all class of people.

Product review:

The product quality is more high comparative to the other competitors, because our main ingredients is Mushroom which is totally new flavor and taste and also work against for the cancer. It is suitable for children health. It is highly reached by Protein-15. 53%, Fat-20%, Saturated fat-1. 42%, Carbohydrated-2. 45%, Sugar-2. 40%, Energy-100gm, Colastrol-0%, Sodiam-. 64%, which is very much essential for specially kids and young age people.

1. 3 Price: Price levels are set for launching our product for our targeted customers.

Sales:

We want to produce 960000 of products in our first step of production. Depending on increasing demand rate, we will increase our production rate over a month. Every year, we will increase our 10% of production. We will observe the sales and satisfaction levels of our customers through our sales representatives. Our Product will sale only in Urban and town side areas of Bangladesh, that's why we are not distributing and sales product in rural areas because our price level is bit high. After increasing our product demand and sales, we will try to reduce our cost of production.

As a result, we reduce our product price and distributed in rural areas in Bangladesh. Gross margin: We have a great competition in our market. 1st year; we want to create huge demand by good quality advertisement and promotional activities to create position in our customers mind. As a result, we expected low gross margin for 1st year, it will be just cover the fixed asset. 2nd year, we will try to sale more and more and reduce the cost of goods sold. It will increase our gross margin. 1. 6 Profit: We expected earning profit within 2 years.

Before that we will try to cover our fixed costs and make break even points of sales. Distribution review: Factory Warehouse Divisional warehouse Salesman Retailer Customer Our factory situated at Tongi in Gazipur. After producing our products it will store in our own warehouse Mirpur. From this warehouse products are distributed 6 divisions by our own transport and then storing these goods in divisional warehouse. Then our trained salesman distributes our products in the market to the retailer. And finally retailers sell it to the ultimate customer.

Competitive Review:

Potato Crackers:

Potato Crackers is a very popular snack prepared with combination of wheat, starch together with potato. It is a light, crispy snack and less oily. It has an average food value and is available with spicy tomato flavor. Ingredients: Potato Powder, Potato Starch, Wheat flour, Refined Vegetable Oil and Seasoning.

Ingredients: Corn, Rice, Salt, Vegetable Oil, Cheese Powder & Seasoning. Mr.

Twist: Mr. Twist is especially attractive to youngsters. This potato based snack has a certain amount of modified or native starch to give it a beautiful twisty shape and fine texture. Available with tomato paprika flavor.

Ingredients: Potato Powder, Modified Potato starch, Native Potato starch, Refined Vegetable Oil and seasoning.

Meridian Chips: Meridian Chips is especially attractive to all people.

Total annual sales below US\$1 Million. Export percentage 1% - 10% per year.

Lay's: Lay's is the brand name for a number of potato chip (crisps) varieties as well as the name of the company that founded the chip brand in 1932.

Lay's chips have been marketed as a division of Frito-Lay, a company owned by PepsiCo since 1965. Other brands in the Frito-Lay group include Fritos, Doritos, Ruffles, Cheetos, Rold Gold pretzels, and Sun Chips.

SWOT ANALYSIS:

SWOT analysis is an important tool for auditing the overall strategic position of a business and its environment. SWOT is an abbreviation for Strengths, Weaknesses, Opportunities and Threats. Opportunities and threats are external factors. For example, an opportunity could be a developing

distribution channel such as the Internet, or changing consumer lifestyles that potentially increase demand for a company's products. A threat could be a new competitor in an important existing market or a technological change that makes existing products potentially obsolete.

Strength:

Without any touch of hand the product is made because of development of technological skills. There are another strength of the company is distribution channels. Our distribution channel is very strong; relation of the supplier and resellers is very strong. [pic]The product quality is more high comparative to the other competitors, because our main ingredients is Mushroom which is totally new flavor and taste and also work against for the cancer. Because of our good relationship with supplier, reseller and for the good transportation facility our sale will be definitely increases. Our value delivery Network is in strong position. We are having good relationships with our suppliers for a longer period of time.

Weakness:

Although the company is new, it has not established a brand or images in the market place this is the weakness for the product popularity. [pic] Because of the new product and company importer skills are absence here that's why we can't includes any internal facilities. [pic] For the first time the mushroom is exit in the market that's why people can't properly reliable to the product quality. [pic] Financial problem is another weakness of the company like what will be the price Cost and investment. Quality of the Mushroom is not up to mark.

Opportunity:

It's an available product but of the new version of taste and quality create a new change of the customer taste. [pic]For the technological changes and advances it's easier to give any information and promotional activities to know the product popularity to the people. [pic]If the government changes politics then it will be easy to access the product to the market. [pic]Availability of the raw materials is increasing day by day which is help to produce more products.

Threats:

If government is increase the taxes and the political issues are not favor then it will be the threats for the company. The product may not be accepted to the people then it will be the great threats for the company. The product competitor rate is very high that's why sometimes we are facing many competing problem, which can be a threats of the company

Company establishment rules and regulation is strict that's why sometimes to take any easy decisions are create complicated situations. Adjustment of opportunities and threat: The usefulness of SWOT analysis is not limited to profit-seeking organizations.

SWOT analysis may be used in any decision-making situation when a desired objective has been defined. If the raw materials are available to the market then the cost of the raw materials will be reduced then we can produce more product in minimum price, and if the government politics are favor then the supply of the product and the transportation cost will be reduced. These products have new taste and a new ingredient which is changes the customer taste. We have to overcome the threats. If the product is not the

accepted to the peoples, then we have to increase our promotional activities to attract the peoples and create more differentiations better than our competitors.

OBJECTIVES AND ISSUES

Financial objectives:

Achieve first year total sales revenue of Tk. 48, 00000, based on average price of Tk. 14 per unit. But first three month we cannot achieve any profit because in that time we invest lot of money for sales promotion campaigns, electronic trade show, provide mini pack sample to the selected customer. Produce net profits of Tk. 9, 60000 next year with a target profit margin of 20 percent on total sales. Marinating a significant research and development budget. Increasing production level each month by 1 % Investing more in Cultivation Of mushrooms. Establish 3 Big factory for producing large amount of product

Marketing Objectives:

Achieve a first year unit sales volume of 1, 15, 20, 000 which represents a projected market share of 10 percent with one type in product line. Increase second year share to 15 percent, based on sales of three types in product line. Generate 30 percent brand awareness within the consumer target market and 40 percent brand awareness within the business target market by end of next year. We want to be no. 1 Chips Company in Bangladesh. After one month, we are collecting our sales review and satisfaction level of our customers. Diversification in our product line. We want to create social value for position in customers mind.

Issues

Our new brand of chip that is Mushroom chips is completely unknown into the existing market.

So, our major issue is to establish a well-regarded brand name linked to a meaningful positioning. We will have to invest heavily in marketing to create an excellent, distinctive brand image projecting innovation, quality, and value. We also must measure awareness and response so that we can adjust our marketing efforts if necessary.

MARKETING STRATEGY**Market segmentation:**

Geographic: divisions and district town side areas such as Dhaka, Chittagong, Rajshahi, Sylhet, Barisal, Khulna . Dhaka – (Gazipur district -town side)

Demographic: Age-5-12, 12-18, 18-24, 24 to others and higher class, middle class of people.

Coarse salt OR kosher salt -- to taste Quality that we are first assure in our product. It is highly reached by Protein-15. 53%, Fat-20%, Saturated fat-1. 42%, Carbohydrated-2. 45%, Sugar-2. 40%, Energy-100gm, Cholesterol-0%, Sodium-. 64%, which is very much essential for specially kids and young age people. Each and every process of the production is done by automatic machine. Design is the factor that will often give a company its competitive edge. It is the totality of features that affect how a product looks and functions in term of customer requirements. Feature leads to the materials which are used in production for making the product. '

Regal industries used Mushroom powder, Mushroom starch, and Wheat flour, Refined vegetable oil, Seasoning and Potato powder for producing the chips.

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The top management of the Regal Industries has decided to give a brand name to new product as “ Mushroom Chips”. Packaging which gives an extra attractiveness to any particular product. That’s why we also design a packet for “ Mushroom Chips”. The whole packaging process will be done without any kind of hand touch in an automatic machine. 4. 5. 2 Price: “ The Regal mushroom chips” will be introduced at tk. 14 wholesale and tk. 15 estimated retail price per unit. We know that the price is much higher than the other Chip present in the market but it will give a high quality.

We expect to lower the price of packets within few months. Because of the first time at market the company would like to give some discount to the retailers which will make them some profit. The company is also giving some credit terms facilities to their wholesaler and retailers.

Promotion:

The management of Regal Industries has budgeted tk. 1, 80, 000. 00 for their advertising and promotion activities for per month. As a new product in the market it needs huge amount of advertising and promotion activities to tell the consumer about the product and its features. For that reason management decide to go for more fancy advertise in Television, Radio, Billboards, and Web site and in News paper.

The policy makers has decide to offer different types of popular cartoon and super hero characters stickers and tutus with per packet of Regal Mushroom chips for Childs and purchase intensive to the wholesale and retail for sell promotion. By organizing Charity concert, Open concert, Sports tournament, Reality shows etc; Regal Industries would like to build a good relation whit people in near future.

Place:

At the very beginning Regal Mushroom Chips will distribute to the town area of 6 divisions across the country with companies own transport system. By considering the future demand it has planned to distribute in the whole country area.

For unexpected future demand it always kept sufficient amount of inventories in its own warehouse. 4. 6 MarketingCommunicationStrategy: By integrating all messages in all media, we will reinforce the brand name and the main points of product differentiation. Research about media consumption patterns will help our advertising agency choose appropriate media and timing to reach prospects before and during product introduction. The agency will also coordinate public relations efforts to build the brand and support the differentiation message. To attract, retain, and motivate channel partners for a push strategy, we will use trade sales promotions and personal selling to channel partners.

Until the brand has been established, our communications will encourage purchases through channel partners. Our distribution channel is quite different from other chips because our main target consumers are the upper class and upper middle class people, who are Not usually concerned about the television advertisement because they are more cautious about the product quality. 4. 7 Marketing Research: Using research, we are identifying the specific features and benefits that our target segments value. Feedback from market tests, surveys, and focus groups will help us develop the “ Regal Mushroom Chips” brand. We are also measuring and analyzing customers’ attitudes toward competing brands and products.

Brand awareness research will help us determine the effectiveness and efficiency of our messages and media. Finally, we will use customer satisfaction studies to gauge market reaction.

Marketing Organization:

Chief marketing officer holds overall responsibility of all the companies marketing activities. Company has also three top level manager for advertisement department , sales department and promotion department . And under sales manager company has six divisional sales manager . They are responsible for divisional sales increasing. Marketing Organization Abdur Rahman Chief Marketing Officer

ACTION PROGRAM

Our company “ Regal Company” will be introduced in February 2011.

Following are summaries of the action programs we will during the first three months to achieve our stated objective. January: We will initiate a Tk. 300000 trade sales promotion campaigns to educate retailers and generate excitement for the product launch in February. We will exhibit electronic trade show, provide mini pack sample to the selected customer. Our promotion manager is responsible for this work. February: We will start an integrated print, radio and media advertisement targeting consumers. This advertisement will show our products differentiation from other competitor. Advertisements also show our products feature to the ultimate customer. Our Advertisement manager is responsible for those works.

March: As the multimedia campaigns continue, we will add consumer’s sales promotion techniques such as giving scratch card and lottery etc. Our sales manager is responsible for this type of sales increasing techniques.

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FINANCIALS PROJECTIONS

In this section we make expected budget of sales and cost monthly and yearly. We count breakeven point unit sales. We also present our expected sales revenue and profit. Our product per unit cost is 13.5 Tk. And wholesale price is 14 Tk. And Maximum retail price is 15 Tk.

IMPLEMENTATION CONTROLS

The controlling process: In the control Process, we will compare our total result with the expected things that we are mentioned. If there is mistakes then take necessary steps to control the overall process. There will be two way of controlling. One is operational control and second one is strategic control. Operational control: If any changes occurred to our production process, then it will be done by operational control. Strategic control: If any changes occurred into strategic plan than it will be done by strategic control.

Market Audit: We will hire a market audit or researcher to evaluate our marketing plan and give advices how to improve in operational control, strategic plan, others plans. Implementation Plan: The following identifies the key activities that are critical to our marketing plan. It is important to accomplish each one on time and on budget.

Online advertising, which cost BDT 50, 000.

Separate rack in shopping malls and the departmental stores, which costs BDT 200, 000

Other advertising costs BDT 10, 00, 000. Event sponsorship, which costs BDT 300, 000

References:

1. <http://trade.coa.gov.tw/showProduct.do?isTemp=false&rid=2465&e&showMenu=true>
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