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## **Introduction**

A marketing plan is part of the overall business plan and focuses on outlining the specific actions intended by an organization to carry out interest of potential customers in order to achieve a competitive advantage in the market (Klein, 2007). Market plans development may be in form of standalone document or incorporated as a part of business plan (Klein, 2007). However, the essence of the marketing plan development must not depend on the approach of development. The market plan aims at introducing and enlightening of the customer of a product or services with an intention of winning them (Grant, 2005).

In market planning, the initial focus is outlining the corporate objectives that an organization or company aims at achieving. It starts with the corporate mission that provides the context of the corporate objectives (Grant, 2005). In an organization that is sales-oriented, a market planning development should not only reward and motivate the front line staff but should also ensure alignment of marketing activities with the mission (Klein, 2007). The corporate mission acts as a thought of an organization and illustrates its nature. In this paper, the focus is on marketing plan of Vichy Capital Soleil where the focus will be on organization, competitive situation, resource analysis, level of market effort, promotion and testing and research.

## **Organization**

Vichy Capital Soleil began One hundred years ago in Vichy City in France through the efforts of two men partnership.

The company initially started as thermal water spring that later developed into production plant in 1931. The idea came because of the experience of the use of thermal water to heal a wound. The company accomplishes the mission through single vocation that work in collaboration with the international scientific and medical community. The kind of organizational design used in Vichy Capital Soleil has a systematic view that lead to a star model approach, which ensures that a company follows a well laid down strategy in achieving its objectives and goals (Grant, 2005). For Vichy Capital Soleil to achieve its goal of ultimately promoting good skin health and beauty, it has employed several strategies to its achievement. The company respects the ethical charter that guarantees its safety and efficiency. The company also ensures that it adhere to the ethical standards enlisted in the charter statements.

In addition, it has repositioned its brand to meet the new standard that it sets. The influence is due to the change of its slogan that indicates the company receptiveness to change. Currently, the company offers skin products that solve consumer needs relating to skin aging, acne, sun care protection and skin dryness. The use of star model organizational design has helped Vichy to have a good performance because it helps the company in making of strategic decisions and offers an effective execution strategy.

This has helped the company in making of tradeoffs that help different sets of structures to benefit one another other (Klein, 2007). It also eases in structure change execution with the impression of something important happening. The company may also use autonomous internal units design, which is an organizational design adopted by large organizations. The <https://assignbuster.com/introduction-nature-in-this-paper-the-focus-is/>

organization comprises of many decentralized units, with each unit having its products, competitors, clients and profit goals (Aaker & McLaughlin, 2010). This means there is no centralized resource allocation or control and would help Vichy capital since success in one unit may compensate a failure in another unit.

Similarly, since every unit has its production line, the design allows overspecialization.

## **Competition Situation**

Vichy Capital Soleil deal with products related to human health. The competition to their products comes from different pharmaceutical companies that produce and offer skincare products.

With the increase in the number of industries dealing with skincare products, Vichy Capital Soleil has exposure to high competition. The level of competition in pharmaceutical industry is generally high due to more people venturing in the industry but Vichy Capital Soleil market increases in every year. This has seen its sales increase with respect to the market growth where the total sales for the past five years according to L'Oreal reports are around 80.7 Euros (Murriez, 201). The major competitors to Vicky Capital Soleil are Procter & Gamble and Unilever PLC that produce skincare products (Gloves, 2006). The total sales for these companies in past five years are 76.5 and 68.8 billion Euros respectively and this indicates a stiff competition between the three companies.

Vicky Capital Soleil share market accounts for 33% of the total skincare products market. Procter & Gamble follows with a total market share of 28.

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4% of the total skincare products markets and the products from these companies offer Vichy Capital Soleil products stiff competition in the market (Gloves, 2006). Their products act as a substitute to Vichy's products that indicates a great risk if Vichy Company does not strategize its market in the right manner. The market competition between these companies spreads locally, regionally, nationally and internationally. All these companies have their products in different nation's market, which indicates that the competition is in all markets.

According to the total sales realized by the company, the market trade indicator shows an expansion in the market, which is approximately 6.7% per annum (Murriez, 2011). This is mainly due to the penetration of the products in Asian and Latin America markets.

The company products are used in a constant rate over the year but the rate of use generally increases during summer. However, in some countries the rate is constant all through the year due to their climate. In addition, the global economy affects the sales both internationally and locally mainly due to the inflation rate and changes in the foreign currency exchange rates. The economic inflation in the nations that are the main market for the products severely affects the sales. For instance, the rate of sales in the American market has decreased due to economic inflation in America.

Similarly, economic inflation in the local market especially in France affects both the production due to high costs and the sales. Resource Analysis Vichy Capital Soleil has several strengths that help it to have a competitive advantage because its products are superior in the market in that the

charter ethically standardizes them (Murriez, 2011). The products undergo several tests to ensure they are healthy for human use. Among the tests done on the products is sensitivity to skin test, efficiency test done by dermatologists, and hypo-allergic test to ensure the products have minimal chances of causing allergic reactions. This makes the customers to have confidence when using Vichy Capital Soleil products. In advertisement, the company has a well-established advertising method through the media that is consistent and this enlightens and exposes most of the customers to its products (Murriez, 2011). In addition, unlike other competitors, Vicky schedules its advertisement in a well-organized manner and designs attractively thus attracting many clients.

The attraction consequently exposes the prospects customers who are persuaded to try the products and finally become customers. In terms of distribution, Vicky Capital Soleil has distributors in all market places who supply the products to the market (Murriez, 2011). The company ensures that the distributors have enough products to cater for their market demands. The company emphasizes on distributor carrying demand analysis that gives them the knowledge of the products required in the market and the quantities. In pricing, the company ensures that the product prices are friendly and affordable. They further package their products into different packages that differ in prices to suit all the market needs. The company on the other hand ensures that the prices offered to different products are genuine by ensuring high quality as compared to the price (Murriez, 2011). The limitation associated to Vicky Company is lack of wide variety of

products in the market and therefore the company needs to introduce more products to the market.

The competitors have the ability of overspecialization, which has given them the advantage of making profits from different products. However, the competitors have failed in market penetration due poor means of advertising, high pricing and low quality of their products.

### **Level of Market Efforts**

Marketing is very important in any sales-based organization because the methodology used and the efforts initiated in marketing yields results if well implemented (Aaker & McLaughlin, 2010). Vicky Capital Soleil marketing effort targets to ensure they have competitive advantage over their competitors and to ensure this, the company plans to raise 4billion Euros for the marketing purposes this year. This indicates that the company can spend at most 20% of its sales in marketing.

The amount of resource required for marketing amounts to at least 20% of the total sales. However, to ensure that the company expenses are minimal the company should utilize at most 20% in marketing and utilize the strategy applied to its best. This amount is far beyond the amount other companies can afford to meet their marketing mix. Therefore, the amount is sufficient for the company to achieve all its marketing expenses allocations as compared to its competitors.

### **Promotion**

Promotion as part of marketing is very essential in sales-based organization because it acts as a means to persuade the prospective customers to buy or

use an organization product(s) (Klein, 2007). The means of promotion used by an organization thus influence most of its sales and similarly the amount of resources set aside for promotion activities should be enough to accommodate all the promotions. For Vichy Capital Soleil to succeed in its sales it must set aside enough resources for the promotion of their products as well as the company name.

The company must choose a good means of promotion that exposes its name and products to a wide range of prospects. The amount allocated for promotion by the company amounts to 3 billion Euros in a year. The promotion resources distribution to various methods of promotion is as follows. Advertising will use 1 billion Euros, personal selling 0.5 billion Euros, sales promotion 1 billion Euros and publicity 0.

5 billion Euros. The amount allocated to each means depends with the target market and the geographical coverage that the means covers (Klein, 2007). Advertising and promotion are means that can reach majority of the prospective clients, which makes them to have a large amount of resources allocated to them. The main objective of Vichy's advertising is to expose and enlighten the prospect customers of their products as well as selling the company name (Grant, 2005). The advertising methods that the company focuses on are means that will give the company a name and ensure that the company market expands due to the vast geographical coverage. Similarly, the aim of advertising is to increase sales by persuading the market and the prospective clients to buy Vichy Capital Soleil products (Grant, 2005).

The strategy that the company intends to use in promotion is to ensure that every target market is reached through one or more means of promotion. The company has also analyzed the appropriate means of promotion for different markets as clients have different taste to different means of promotion. In addition, the company intends to concentrate more on the markets that are more available to its sales than other markets (Klein, 2007). Finally, the company targets large markets that competitors have not ventured. The media strategy that the company puts in place is the use of the media sources that have a wide geographical coverage. The company focuses on the use of internet, television adverts, radio adverts, journals, newspapers and highly read magazines (Aaker & McLaughlin, 2010). Its objective is to reach prospect customers as more as the company can manage.

Similarly, the company intends to open a social network through which the customers can influence their friends and relatives to interact with as well as the prospective customer can interact with other already existing customers. Vichy's advertisements should differ from competitors' advertisement in that they should be consistent over the media, well designed, attractive and systematically scheduled. In addition, the advertisement should meet the required standards of advertising regulation by respecting the ethical standards (Grant, 2005). The advertisement will be on continuous basis all over the year.

This will enhance that majority of the prospective customers have exposure to the information on the products. Furthermore, continuous advertising makes the customers have confidence on a company as it makes a company

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name established. Further, continuous advertising helps in bridging the gaps that the competitors would use to penetrate the market as it keeps the customer updated through continuous reminder of the existence of the products in the market (Klein, 2005).

The targeted market through advertisement is the people who do not have the knowledge of Vichy Capital Soleil company products. The target is therefore the market that the products have not penetrated. The company targets to use the outcome of the target market to measure the promotional success. Vichy advertising effectiveness evaluation will be based on the total sales achieved from the target market and the rate of increase of the customers purchasing or using Vichy's products. Personal selling involves meeting a prospect customer at their work place or their home. The method though used by organization has a limitation of the number of customers reached.

However, the method is important in giving the feedback of the customers or market response to the products. Unlike advertising, it gives an immediate response from the market. The difference in the amount allocated for personal selling as compared to the previous figures is an increase of 0.

2 billion Euros in this year. This is due to its successful feedback in the previous personal selling that made the company to have a feeling of putting more effort in the method. The amount allocated for sales promotion amounts to 33.3% of the total resource allocated for promotion and has a 10% increase compared to the previous allocation. The reason for the increase is due to emphasis of the company to initiate more forms of

promotion in this year. Vichy Company aims at reaching more people through sales promotion as compared to the previous years. The forms of promotion that the company intends to use this year include price discounting, price pack deals, rebates, coupons, free samples, sampling and trade promotions (Aaker & McLaughlin, 2010).

The overall objective of the forms of sales promotions that the company intends to use is to inform, introduce and persuade the prospective customers to buy or use Vichy Capital Soleil products. In addition, the forms will strength the company and the already existing customers' relationship. The most likely reaction from the competitors on the sales promotion will be their initiative to promote their products. This will be to counter Vichy Company promotions so that it may not take full advantage of the market alone.

Vichy Company should therefore enhance its promotions and ensure that it reaches every targeted market for this year. Further, it should ensure that the sales promotion runs all through the year so that it can win more markets. The company intends to have a collaboration of both internal and external public relations. This is aimed at ensuring that competent and experienced team takes the role of promotions. The objectives of the publicity programs are to secure, innovate, develop and create advertisements to sell the products. Consequently, this will inform the customers about Vichy Company products and their development to persuade them to buy as well as acting as a reminder of the existence of its products in the markets (Grant, 2005).

## **Testing and Research**

Market testing and research is important to an organization as it gives the customers' feedback on the products and the company. The company test plan intends to use pseudo sale and controlled sale strategies.

In pseudo sale, the company will influence the potential customers to imagine the availability of the product in the market. The company will use the outcome of the customers influenced in a certain market to make decision on whether to introduce its products to the market (Grant, 2005). In controlled sale, the company intends to regulate the sale of products to understand the demand of the product (Klein, 2007). These strategies will start in one city and then apply to multicity. To evaluate the success of the marketing plan to meeting its objective, the company intends to conduct market research during its implementation period. The marketing research projects that the company should undertake product usage survey, customer satisfaction survey, advertising development and corporate image survey (Aaker & McLaughlin, 2010). The product usage survey will help the company understand and forecast its product market trend.

Customer satisfaction survey will help the company in understanding how much their products satisfy their customers. On the advertising development, the project will help the company to evaluate whether the advertising strategies are meeting the required objectives. Finally, the corporate image survey will help the company to understand how the market views the company.

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