Marketing Plan

After the development of the Smart Object is finished and the production has started we have to put it in the market. Our company will be called Smart Interfaces JATH. Nowadays in order to sell the product it is not enough to produce it. If we want to sell our product we have to concentrate on customer, cost, communication and convenience. It is important to concentrate on meeting the needs of our customers. Moreover a observation of the market is necessary to recognize changes on the market. To do it we need some special tools and analysis.

The market environment analysis

In general two types of environment are distinguished: micro and macro. Firstly we will analyze the micro environment, which includes the company's internal environment, suppliers, marketing intermediaries, customers, competitions, publics. Secondly we will analyze the macro environment.

Micro environment analysis

Our product will be made of high quality materials and we are trying to get a modern and innovative solution. Furthermore it is important to know, that are no identical products in the market. In the first phase of the project our supplier is ISEP. If the product goes in production we are going to address a mass market. When we are introducing the object to the market we will need some suppliers. We have to remember, that all companies which are cooperating with us, are going to be checked carefully. Important things are the price and quality of resources and time of delivery. The product will be advertised and sold on the Internet. The distribution will be done by a logistic company. The object is small so we can put it into special package which prevents damage. We can identify the market by:

• Type of goods traded: market for goods

• According to geographical: now local in the future could be global

• According to the criterion of scale or size of transactions: retail but in the future could be wholesale

• According to the character of the merchandise: goods and services

• According to the degree of satisfaction of needs: consumer Competitors

At the moment the same product that we are offering does not exist on the market.

But the market for smart electronic devices, that simplify life is huge and rapidly growing. However, one competitor for our product can be the 3D mouse. 3D mouse devices generally function through ultrasound and provide at least three degrees of freedom. On the market there are a lot of companies producing 3D mousses. The product is gaining popularity. An Example of such a product can be found here: videos.html Our product is more innovative, because one can also use voice command and the user can hold it in his/hers hand. It does not have to lie on the table, but it can. The other competitive product is the Wii Remote. It is not our direct competitor, but the product uses some same components and it can be used for the same purposes. The Wii remote is used for games. It is the primary controller for Nintendo's Wii console. Wii Remote has a motion sensing capability, which allows the user to interact with the game and manipulate items on screen via gesture recognition and pointing through the use of accelerometer and optical sensor technology. Another feature is its expandability through the use of attachments. The attachment bundled with the Wii console is the Nunchuk, which complements the Wii Remote by providing functions similar to those in gamepad controllers. This is an example of the Wii Remote:

Another product is the typical gamepad. It is a type of game controlled, held in two hands, where the fingers (especially thumbs) are used to provide input.http://images.speed-link.de/prodpics/_spl/SL-6555-SBK-A/large/sl-6555-sbk-a_rgb_004.jpg

However, these two products can be used only for gaming. So our product can be distinguished from the exiting product, because it gives more possibilities and can be used for a professional purpose and also for fun.

Macro environment analysis

Macro environment includes demographic, economic, natural, technological, political, and cultural forces.

Demographic forces result from population age structure, sex structure, etc. Our product is addressed particularly to professionals and younger people (between 17 to 35 years) , because they follow the course of time more. For example young people play games which need a certain freedom of movement that comes from our product. Professionals,who work a lot with computers need a product which gives more possibilities than the ordinary mouse. These people can work for example in design field, as engineers or architects. Economic forces stem from the overall economic condition. Nowadays in many countries there is the economic recession. In this phase of development we are not 100% sure how much our product will cost. However we would like that the price is not higher than the price for a professional 3D mouse, which is between 100 € to 400 €. But we also do not want to sacrifice quality. Technological forces are arising from the level of technological development. Currently technological progress is huge. It is a threat, sell new version and earn money, but it can be threats because if the company does not track the development of competition, market it is easy to be left behind. Political forces: In our opinion the EU is a good place to produce, buy and sell electronic products, because the EU has similar standards for production, quality and sales of products and services. Cultural forces result from the prevailing fashion, lifestyle or habits and culture prevailing in the area. Nowadays everyone has at least one computer, mobile phone or iPad. Our product can cooperate with any of these devices. To summarize the environmental analysis we did a SWOT analysis. In our case we will concerted on our company which is our team and our product which is the Smart Object. The following table shows the SWOT analyses:

Strengths	**Weaknesses**
•ability to think logically	• problem with communication
• use new technology	• lack competitive edge
• well-equipped laboratories	• inexperience
• quality of product	• lack of a position in the market
• own sales network	• only advertising on the Internet
• sales by Internet (7days a week, 24h per day)	• small financial resources
• possibility of selling the product around the world	• instability of the production line
• good quality of materials used in production	• need to build a positive image
• modern solutions	• difficulty with the first customers
• functionality of the product produced	• short product life cycle
• human potential	
• average price of product	
• possible to adapt the	
Opportunitiess	**Threats**
• patronage of ISEP	• unemployment
• opportunity to work with a qualified people	• low income of society

Strengths	Weaknesses
• ISEP-s good reputation	• rapid development of technology
• demand for such products	• increasing competition in the market
• EU membership	• strong position of technology leaders
• common currency in the EU	• existence substitute product on the market
• absorbent, growing market	• customer loyalty relative to our competitors

Market segmentation

The next step in the marketing procedure is to choose the market segment. This is important because we have to know the needs of our customers to meet them. Market segmentation is to make a distribution of the market into a relatively homogeneous group of consumers, because of the similarities of characteristics reveal a similar demand. Knowing the target segment will help us to prepare a product that meets the needs of our clients and helps us to obtain advantage in the market. We chose two segments for our product. The first one is people who are working with engineering programs meant for drawing. They are designers, architects or engineers. They spend a lot of their time using computer to draw sketches, diagrams, plans and models. Our product can facilitate the implementation of these activities. We are particularly interested in this segment. The other target group can be young people (17-35 years) who use their computers or mobile phones to play games. Our product gives them freedom of movement. Moreover young people like modern things and technical innovations.

Objectives:

• meet customer needs – satisfied customers 90%

• achieve operational excellence in the internal processes of marketing, supplier, product development, logistics

• make that brand recognizable about 30% in the end of year 2013

• occupy 20% of the market by the end of 2012

• by higher sales reduce the price of the product about 10% when our sales rise to 20 000 pieces

• expand product lines (new version of product) after first year on market

Basic marketing strategy

Marketing strategy is actions and producing plan, the sales of the product and dealing with problems. The prototype is product for the ISEP, but the product can be sold in open market. Our Smart Object is addressed to young people and older workers as designers, architects and engineers. We are going to sell our product on the Internet, because this distribution way is cheap and we are able the a address a big market. We do not have to rent space in the shop. Our offer will be in website, we want to generate a bookmark with the product order form. Moreover on our website we would like to place a description of the product along with photos, video illustrating the use of the product. The website will be in Portuguese, English and German language. We will pay for position in Google. We are thinking about place to advertising on complementary products for example: PC, drawing programs, etc. That will be a source of additional earnings. If we have to think about distribution, we use companies in the fast delivery of mail, shipments of goods and advertising. The object is small so we can put it to special package which prevents damage. If our product will be well received by users of ISEP, we would like to sell it on a broader market. If there is big demand for our product we can afford to cut

prices. When it comes to promotion we will do posters and some leaflets. In the future we are thinking about two types of advertising. First we will address to young people and the other to workers. Advertising for young people should be more modern and we can do some animations, 3D effects, etc. advertising for older people should be more professional and factual. If we think about the long-term strategy we would like to develop a product line. For example we can develop a product for professionals with very precise sensors and a support for many engineering software. On the other hand we can develop a cheaper product for the gaming market. Another aspect is the aesthetics of the product. It is possible to extend the color variations of the product, change shape or do our product smaller to better fit a woman's hand and to meet the need of young consumers. We extend our offer also for various types of connection to the computer object, it need not be only Bluetooth, but we can use WiFi or ZigBee. A second option might be installing a larger battery that allows for longer use of the product, but this solution might make the object bigger so that the battery would fit inside of it.

Marketing MIX

Marketing mix is a business tool used for marketing products. It is composed of four Ps/Cs .

• Product / Customer

• Price / Cost

• Promotion / Communication

• Place / Convenience

Ad1. Product / customer

One can use the SO as an input device for CAD-programs. By using the device one can turn the model (with the sensor data) in the program 3D space, zoom in and out (with touch pad) and use some voice commands (microphone). With the acceleration data the program decides if the SO is held in hand or lies on the table. The wireless connection is achieved via Bluetooth.

Ad2. Price / cost

We do not know yet how much our product will cost, but the price includes: cost of materials, cost of packaging, distribution costs, advertising costs and labor costs. But we know that we have to remember the fact that the price can not be too high because no one will buy the product. If we will have production lines we will buy materials in bulk so price of material will be lower. Advertising costs will be spread over more units so that the price of the product in mass production will be lower. As for the price of the product, we can give only the costs incurred for materials and it is around 300 € for the prototype. In terms of the method of payment available are:

• Prepayment

• Transfer

• Check

• Credit Card and Online Transfer

The payment will be facilitated to customer preference. Furthermore we want to apply some discounts for the customers who purchase 5 units of our product we offer a discount of 5%. The

customers who purchase more than 10 units of our product we offer a discount of 10%.

Ad3. Promotion / communication

Promotion is various types of advertising the product. Discovery in the clients wish to own the product and encourage the customer to buy it. Moreover it is communication with client. We would like to in this phase of project do some poster and leaflet. We are thinking about some slogans:

• Feel the corner

• Catch the corner

• touch the corner

• Feel the motion

• touch the motion

• It’s the smart thing

• See what you keep in mind

• Let’s make things better/rotate/easier

• Easy as XXX

• Control your power/motion of mind

When we generate a web page we are going to put a description of the product there along with photos, videos illustrating the use of the product. The web page will be available in Portuguese, English and German language . We will pay for position in Google, because for the clients it will be easier to find us. We want to design two types of it: for people playing games and for professionals.First one can be modern and less official. Second one should be more professional and factual. If ISEP agrees we could put a link to our offer at ISEPs web page. Moreover we will have opportunities to present our Smart Object for clients in events organized by ISEP that will be cheap promotion addressed to the large number of consumers. Collaboration with ISEP gains the trust of customers thanks to their good opinion of ISEP. To attract the attention of customers and encourage them to purchase our product we want to send our product to reporters working in specialist / professional magazines. These reporters can test our product and write an objective view about it. We would like to send our product to four the biggest professional magazines. The readers will have independent opinion about the product. Good opinions in these magazines are the best publicity. For younger people we can generate a profile on Facebook. Nowadays everyone has Facebook and get a lot of information from this page. There we can put information about our product, some simulation, prices and promotion. Users can share their opinion between then.

Ad4. Place convenience

Place is a really important thing. If you have a shop near the main street you have more clients. But currently a lot of people use online shops in the Internet. We want to sell our product in the Internet. It is better because we do not have to pay rent for the shop. It is more convenient for the client because he/she can do his/her shopping seven days a week, twenty four hours a day without leaving home. To distribute our product we use outsourcing, it is a cheaper alternative for us than creating our own department, at least at this stage. We want to sign a contract with a company that shipments drop

distribution. Moreover we need some special packages to carry the product. This package should prevent damage. In our opinion this solution is convenient for client. They send to us their order and after five days they have the product in their house. This is a good solution, because it is cheap. But in the first phase of the product life no one knows it a better solution would be to place it in the store. The client can see the product and buy it in chain stores. After signing the contract because our product is in every chain store.

Action program

We will sale the Smart Object in stores with multimedia devices and in the internet. On the first phase of promotion we are going to do some posters and leaflets addressed to all users from ISEP. In this time we are going to generate a web page. Moreover on our website we would like to place a description of the product along with photos, videos illustrating the use of the product. After that we want to do more posters, leaflets and advertising in web pages addressed to the two segments we have already presented. Advertising for young people should be more modern and we can use some animations and 3D effects. Advertising for engineers should be more professional and factual. To promotion we want use also professional magazines. For an example:

• PCWorld: www.pcworld.com

• PCPro: www.pcpro.co.uk

• Blueprint Magazin: www.blueprintmagazine.co.uk

• DesignEngenieering: design-engineering

We will offer the magazines a free exemplar of the product to test it and to write an article about it. Another way to promote the product can be Facebook. If our promotion will be effective we can get a goals (occupy 20% of the market by the end of 2012, by higher sales reduce the price of the product about 10% when our sales rise to 20 000 pieces, make that brand recognizable about 30% in the end of year 2013). All time we have to observe situations on the market and we have to be flexible to adapt to customer requirements. If we do that we can satisfy our customers. We have to pay particular attention to the objectives set. Operational excellence in internal processes, marketing, supply, product development and logistics can be achieved through appropriate management of resources. In the next year we would like expand product lines (new version of product) that will be possible if we sell 3 000 products. The last one but not the least is to make that brand recognizable about 30% in the end of year 2013. It can happen if we will have good cooperation with publicity and our client will be satisfied with the use of the product.

Budget

To well manage the project it is necessary to have permanent control over the costs incurred. Everyone remembers about cost of materials and employment costs but usually we forget to think about marketing costs. This cost include: advertising, leaflets, posters, websites, etc. The estimated annual costs on our marketing plan might be:

• Cost of posters: 100€ per month /1200€ per year

• Cost of leaflets: 100€ per month /1200€ per year

• Cost of the web-site: 450€ (one-time cost)

• Cost of position in Google: about 35€ per month /420€ per year

• Cost of advertising in media: about 120€ per month /1440 per year

Control

To control, if our marketing strategy is successful, we have to observe all time the micro and macro environment. It is important to study the strategies of our competitors, analyses their product, promotion and clients. Otherwise we will not follow the changes and we will be left behind. We are also planning to look at customer needs and adapt to changes, keep customers and attract new. We should all the time look at offers for the materials because in the market new businesses can develop and they might have more favorable contracts. Good solution is to change your ad at least every six months to attract customers' attention. Otherwise it becomes monotonous and not effective. Another important thing is to monitor changes in macro environment. We have to be up to date with law and economical situation in Portugal and around the world. Of course the most important thing in our case is technological forces, because the technological development in these field is very fast. We must be up to date and continuously improve the product because otherwise it will be obsolete soon. Also we should follow fashion, because one of the segments is young people, and they like to be fashionable. Moreover we have to have control on our objectives. This control will consist in comparing the present state of theoretical assumptions. To have a good control the situation we are going to prepared quarterly reports. Then we compare the results with previous ones, and the strategy plan and draw conclusions. After that we should do a plan for the next quarter and try realizing them.

Conclusion

We did a market analysis which includes micro and macro environment. After that we choose two segments for our product. First one is people who work with engineering programs that are meant for drawing. They are designers, architects and engineers. They spend a lot of their time using computers to draw sketches, diagrams, plans, models. Our product can facilitate the implementation of these activities. The other target group can be young people between 17 to 35 years who use their computers or mobile phones to play games. In our marketing plan we adapt our promotion to these segments. We set up goals and prepare an action and control plan, which helps us to achieve our objectives.

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