

2013

Marketing Plan for XXX Event-agency



Marketing Department
XXX Agency
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I.Mission Statement

XXX company works in the market of social-cultural service. The activity of the company is to provide clients with a range of services related to various show projects' organization and execution. Services are provided for creating the idea, preparation of the financial estimates for its realization, and implementation of this idea.

Currently our streets are saturated with advertising, people get tired of unnecessary information, and many people try to insulate themselves from promotional things. They don't take leaflets on the streets and zap commercials on TV. Therefore, implementation of advertising through events and shows is a good way to communicate advertising information to consumers. Especially if it's any extreme sports that always fascinates and magnetizes.

The Agency's main service is to promote products by means of show programs, that is show-event marketing. By contrast with other agencies, the XXX's shows specialize in extreme sports (sk8, snowboard, BMX (bicycle motorcross)), contemporary music and new cultural directions. These programs have everything that is considered to be popular among today's youth.

The activity of the Company is to develop shows, search sponsors (advertisers' clients), adapt show programs for a specific sponsor, and these events to life.

XXX Ltd.'s mission is to promote extreme sports and promulgate healthy lifestyle.

Most people are interested in good shows. As the result, people get interested in the sponsor of the event, which is presented in a favorable light in this event. In addition to making money and client's promotion, the Agency turns hand to a useful work for the city, it promotes the healthy lifestyle and sportsmanship, as well as supports cultural development of the society, improves the city status.

The idea of business development is intended to deal with complex service of all event types. Customer service focuses on the most complete satisfaction of a customer, providing a full set of services to a client, starting from assistance in selecting and creating ideas to their full realization.

The basic principles which are most important for XXX are listed below:

- providing the most complete range of services,
- high quality services,
- individual approach to the client.

II. Situation Analysis

a. Internal environment

i. Organization background

The Agency was registered as a limited liability company with two founders.

The size and components of the company's statutory fund is presented in the Table 1. Graphically, these data are presented in the Figure 1.

Table 1 - The size and components of the company's statutory fund

Indicators	Contribution size, RUR	Percentage, %
Total equity capital, including:		
Office equipment		
Cash Register		
Office Furniture		
Video-, photo technique		
Musical Instruments		
Car		

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The establishment document of the society is the Charter.

The Agency has all the necessary equipment:

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To organize the work of the Agency a special office was opened right in the city centre, equipped with computer technology and Internet. This office doubles as the office of the Federation of extreme sports. As a result, the company has tax cuts and State support.

The office is located in a specialized office building, which has a parking and restaurants. The company's location in the heart of the city is a big advantage, because clients have opportunity to participate directly in development of show ideas.

Staff of the Company consists

Employees perform their work at home, that will reduce the costs of the office maintenance. The list of employees for outsourcing is the following:

- Designer – to fulfill orders on decoration of halls, tables, etc.; to work with customers' calls; to consult users on design of the event.

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- Creator – to fulfill orders on scenario development activities, to work directly in the field of the event to be conducted.
- Sound technician – to service musical equipment, to prepare musical setting of the event, to consult on selection of a musical accompaniment for a show-event.
- Photographer-cameraman – to take pictures/videos at the site.
- Other emergency workers – dressers/layout artists, promoters, casual works on contract.

ii. Products

XXX Event Agency offers the following services:

- Organization of demonstration performances and competitions on extreme sports, organization of exhibitions, first nights, presentations. All this is accompanied by sound, light, and commentator.
- Production of advertising materials (banners, posters, flyers). Advertising before the event - Internet sites, radio, TV, print advertising distribution.
- Realization of advertising during the event - placement of banners, announcements, distribution of souvenir gifts.
- Realization of advertising after the event – posting articles, images and video reports in the MEDIA, providing photo/video materials for further use in advertising.

One of the entertainment services particular features is that these services are not always available on the same territory: it can be a night club, an administrative area, a ski resort and so on. Therefore, it is very important to have business ties and a number of permits.

Description of technological process.

To do this, the Company has completed projects that can be used entirely or taken as a model for the development of any individual project. Customer can rely on the professional advice of an experienced decorating designer, creator, and musical accompaniment expert, professional cameraman, and photographer.

Division of responsibilities between the experts is the Agency's credo, because otherwise it may rapidly deteriorate the quality of service. Each specialist works only in his/her field of activity, but he/she must be professional in that.

iii. Financial and non-financial results

The main achievements of the Company in the past year:

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Among the intangible results one must point out stockpiling client base and increased popularity of the Agency. Advertising, developed by the Company for its clients is its own advertising that makes the Agency's popularity to grow very fast.

iv. Channels

The main sales channels are:

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- Internet site,
- Founders ' personal sales,
- Partners are the companies working in related fields, as well as regular customers, recommending the Agency to their friends.

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b.External environment

i.Markets

The target consumers of XXX's services are big companies wishing to become the main sponsor of the activities undertaken. Most potential customers try to solve the problems arising in the process of organizing the festival on their own; that leads to wasted time and unnecessary expense. Accordingly, the Agency has the opportunity to make them its customers.

Let's evaluate market potential.

Now the market of cultural activities is represented in a small number of firms. But, despite this situation, the market demand for these services is more or less stable, creating objective conditions for development of the industry.

Organization of the show has noted distinction by the lack of strong seasonality, which makes this sector particularly attractive. At any time of the year, the number of customers is always stable, however in winter when the show is held outdoors, one can face low temperatures. For people to warm up, there is a practice to set up special warm tents where guests are treated with hot drinks.

Entry barriers in the industry can be considered as following:

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The Agency's services are of high quality at a relatively low price. So, the actual competitors are only firms with the same advantages. Such firms are almost absent. Basically it can be any new companies which find themselves in a better position than the old ones.

Creation of a large and powerful company in organizing cultural events requires considerable financial investment, and that is the main obstacle.

ii.Competitive environment

Key competitive advantages of XXX company are uniqueness of the offered services and flexible price policy with the high quality of service. It should be noted that in the present day there are few mass events that can attract young people. In such a situation, the firm has almost no competition to date.

Closest competitors of the Agency can be only those companies that have the same price for services, but the quality of their services leaves much to be desired.

Let us conduct a comparative analysis of our Company's competitiveness (see Table 2):

Table 2 - Comparative analysis of our Company's competitiveness

Key success factors	Competitors (according to the 10-point scale)					
1. Quality of services						
2. Cost of athletes						
3. Cost of the video						
4. Site organization						
5. Quality of the show						
6. Notoriety						
<i>In total:</i>						

The table shows that

iii. Economic environment

Economic growth in Russia and in the region creates good background for development of event-business. Of course, one needs to keep in mind a possibility of a crisis like in 2008 to repeat. However, given that XXX company's business does not require capital-intensive assets, and the cost of market exit is minimal, the Company's losses in case of crisis would be nonthreatening.

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iv. Demographic environment

The demographic situation in the target audience does not cause concern. Currently the younger generation "is gaining momentum" in business, being prone to spend their free time in an interesting and diversified way. There is no doubt in popularity of the Agency's specialization - extreme sports.

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v. Social and cultural environment

To relax with invention, creativity becomes increasingly fashionable among business leaders. This tendency sets a positive trend in the event business.

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vi. Political and legal environment

Political risks are associated with the instability of economic, tax, banking, land and other legislation in the Russian Federation, the lack of support or opposition from government officials, etc.

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There are also some legal risks associated with the shortcomings of the legislation, not clearly executed documents, twofold interpretations of legislation.

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vii. Technological environment

Technological factors are associated with fast-moving technological progress in the field of entertainment services, and deficiencies in the quality of services provided.

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c. SWOT analysis

Table 3 - The company's strengths and weaknesses

Strengths	Weaknesses
1. Office location in the city centre in close proximity to customers	1. Novelty of services
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Table 4. Opportunities and threats of the market

Opportunities	Threats
1. Economic growth	1. Possibility of crisis
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d. Critical issues

Analyzing the company's strengths and weaknesses, opportunities and threats of the market, we come to the conclusion that the main directions of the company must be the following:

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III. Marketing Objectives

The company's goal for the next year is to get 10-12 clients per month by the end of the year.

Statistics shows that

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IV. Marketing Strategies

a. Target markets

Target users of the Agency's services are large companies wishing to become the main sponsor of events to be organized by XXX company.

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b. Product strategies

Product strategy of the Company includes:

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Taking into consideration the nature of the services provided and the company's focus on a narrow segment of the market, it would be preferable to adhere to the following order of services performance. In the first phase, the company develops shows of various scales and budgets, and plans the approximate dates of their conduction. In the second phase, it looks for clients who will sponsor the event. Further, the Agency adapts its projects under the strategy and style of the main sponsor, and deals with the production of advertising products.

c. Pricing strategies

The Company's competitiveness lies in the uniqueness of the services provided and the extensive experience in organization of different event-shows. Direct participation in activities allows the Agency to exist with minimal staff. Thus XXX Ltd. can provide its customers with the lowest prices in the city, surpassing other agencies in quality of the services provided at one and the same time.

Clients are attracted by the low price, and the bonus received when first applying to the Company. For example, a free photo and video material after project implementation.

Pricing is expected to be adhered to market-penetration-price policy, which is very important in a competitive environment. Low prices (coupled with quality) will attract customers, and the Company will increase its market share.

Pricing policy:

The Company will also consider granting discounts for regular customers at the level of 5-15% (which corresponds to international practice).

Pricing method – orientation on competitors.

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Let's look at the price scheme of one of the services "sponsorship of the event" - fabrication of one banner and its placement at the site of competitions or shows.

Table 5 – Cost accounting of the service

Article, per customer	The amount of charge per order, RUR
1. Expendables for banner fabrication	
2. Wages and contributions	
5. Office work (utilities payments, etc.)	
TOTAL:	

Table 6. Average cost of services:

Service	Price, RUR
Principle sponsor of the event	
Secondary sponsor of the event	
Sponsorship support	
Organization of the exhibition	
Organization of the presentation	
Organization of the party	

d.Promotion strategies

As the Agency itself works in the field of advertising, the best advertising is the result of its work. To maintain its image, once a month the Company plans to make reports in magazines and on the pages of Internet sites highlighting all the conducted events. This will cost around ///.

Let's consider a monthly advertising budget:

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Table 7 – Advertising budget exercise

Article of expenditure	
1. Reports in magazines	
3. Advertising on the Internet	
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TOTAL:	

e.Distribution strategies

With regard to distribution, the Company is going to develop active sales of its services by efforts of Sales Managers, in addition to land-based sales. Special management methods will be developed to control their activities, required staff will be hired, due software will be set up. Please refer to the section “Control and Management” for details.

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V.Relationship Marketing

The main task in relations establishment is to find constant, loyal customers.

The company plans to build up a base of customers who will be interested in cooperation with the Agency, and the Agency in its turn will regularly notify them of all its activities.

Cooperation pattern with such customers will be in a simplified form: banner, etc. will be kept at the Agency, communication and discussion of the details will be made via the Internet.

The tasks in establishing relations with the authorities were presented in the previous section.

Relationship with partners such as catering agencies, suppliers of equipment and accessories, etc., is also very important.

Particular attention will be paid to the work with media representatives.

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VI.Control and Management

The Company suggests the following activities in the field of organizational development:

Table 8

Strategic initiatives	Activities
To build up a customer base	1.
To implement a strategy	2.
To establish managerial accounting	3.
To implement a system of active sales management	4.

Strategic initiatives	Activities
To introduce a system of financial management	5.

VII. Recommendations for Change

Main directions of strategic changes are listed among **Critical issues**, in the field of organizational change see Table 8.