

# MARKETING PLAN



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## 1. INTRODUCTION

innoWi® presents this marketing plan for the first product of the company, which is WiCharger®. We need to be supported with this marketing plan to specify strategies to be used and resources required. [1]

In this plan marketing efforts and strategies are given in details.

To be more precise and clearer, we can divide this very marketing plan into some steps. In this plan, we try to follow the path below: [2]

- Conduct a situation analysis
- Evaluate market opportunity
- Develop product objectives
- Formulate marketing strategies
- Develop marketing mix
- Develop sales forecast
- Estimate profits

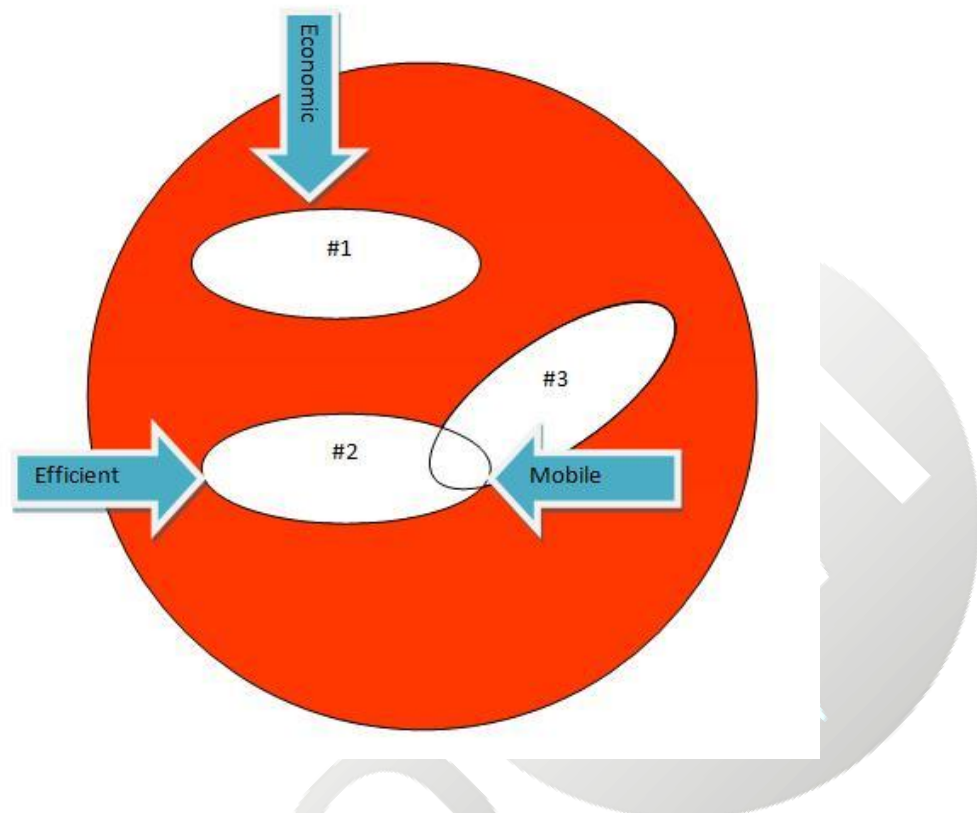
## 2. MARKET SITUATION ANALYSIS

### 2.1 A GENERAL LOOK TO THE MARKET

A market definition is necessary to begin to the planning. At first glance, broad market for innoWi® seems to be “telecommunications market”. Telecommunications market is a highly branched and one of the biggest markets in Turkey with a size of 21\$ billion estimated. [3] However, defining the market as telecommunication and working on this market is somehow distracting and makes harder to focus.

Defining market as “mobile phone charging” is more efficient and precise for us. After determining which market is the definitive market of innoWi®, more certain strategies can be followed.

Perceptual map of the mobile phone charging market given below, increases clarity of the definition of the market.



**Figure 1** - Perceptual Map of the Mobile Phone Charging Market

#1: Traditional Cable Chargers

#2: Wireless Chargers

#3: USB Chargers

Red Area: Telecommunication Market

It is seen that traditional cable chargers are the most economic ones. They are more old fashioned compared to the wireless chargers and USB chargers, however they are cheaper.

Wireless chargers are the most efficient ones in the market. When the case is efficiency, from the perspectives of time and energy saving, they both surpass cable chargers and mobile chargers.

Additionally, by using the map, we can see that both wireless chargers and USB chargers give the user the ability of mobility. Cable chargers cannot add quality to mobility.

## 2.2 MARKET CHARACTERISTICS

We need to find the market characteristics appropriately to understand the market better. [4]

First of all we can say that mobile phone charging market has a big potential and space for growth. Actually, it shows parallelism with the broad market of telecommunications. As the telecommunications market develops and manages a growth, mobile phone charging market also behaves in the same way directly. As also stood in the organizational plan of innoWi®, size of the telecommunications market has increased 14% between 2005 and 2009. From this data, it can be foreseen that with the help of new brands and products entering the market, market will keep growing. As said before, it triggers the increase in the mobile phone charging market.

When the issue of entry barriers is examined, it is seen that, cable chargers have strong domination in the market. However by making a deeper classification, if the wireless mobile phone charging market is examined it is seen that, especially in Turkey, there are not so many competing companies. We can say that, from this perspective, there are not so many barriers to enter the market. Wireless mobile phone charging is a new development in the market and it is recognized more in the last few years. It starts to take role in the mobile phone charging market. Additionally, some large investment is not a requirement to enter the market and this also supports the thesis that there are not so many barriers to entry.

When the opportunity of competing is worked out, it is seen that especially about wireless charging there is not a big competition going on in Turkey. Wireless chargers which are already in sale are not known very well and they are not highly preferred since they are expensive compared to cable chargers.

Customer demand for the mobile phone charging market is stable. It would not be wrong statement to say that market will not diminish by size. If it thought that every single mobile phone needs a charger for it, it can easily be said that demand will preserve its stability.

Mobile phone charging market acquires a good return on investment. Firstly, as said before, a big investment is not necessary to enter the market. Secondly producing wireless chargers is not a very high costly procedure. Without making any research with numbers, it can be said that return is better compared to the other markets.

### **3. MARKET OPPORTUNITIES**

Market opportunities/threats and SWOT analysis are examined in the organizational report of innoWi®. Because of this, it is not necessary to work on these again, but to use in the further points of this marketing plan we can give some important summary of these analysis.

To talk on the opportunities/threats, we can say that there is a big opportunity from the perspective of rivalry, since there are not so many actors on the market.

Substitutes, customers and suppliers do not create significant threats for the market.

By getting help from the SWOT analysis prepared before, we can say that: Strengths of innoWi® are, its well organized structure, low cost production and multi city organization.

Weaknesses of the company can be listed as its lack of experience in the market and its being unknown in the market.

innoWi®'s strategic placement among the world and its being developed are the biggest opportunity for the company.

Our competitors are big and strong companies and this is the main threat for innoWi®.

### **4. PRODUCT OBJECTIVES**

#### **4.1 SALES VOLUME**

In first 12 months, innoWi® determines the price of WiCharger® as 100\$. Since the product is a new one and it needs to be known among the market. Price of the product will not be more expensive. Expected sale amount of the product is barely 5000 for the first year. Additionally, we aim that we sell nearly 7000 sockets from the price of 20\$. When the costs of production, shipping and technical support approximately sum to 70\$, total revenue for the first year is expected to be 290000\$ ( $100 \times 5000 + 20 \times 7000 - 70 \times 5000$ ). This constructs the sales volume objective of innoWi® for the first year.

## **4.2 MARKET SHARE**

There is not a certain number for the total size of mobile phone charging market. However from a broader look, telecommunication market in Turkey approximately has a size of 26\$ billion. [5] Naturally, innoWi® has a very small share in the market for the first year, since the telecommunication market is very huge (approximately 0,0001%). However, under the light of bare information that says us wireless charging is not a well constructed and varied market in Turkey, we believe that at the end of first year, we can have 90 percent share in the market. Internet orders of the other competitors cut our 10%.

## **4.3 PROFITABILITY**

In this fragment, a proper way to put a goal on profitability is making use of ROI (Return on Investment) objective which is basically the ratio of net profit to the total investment. However here, we cannot put such an aim for us; there is not a large amount of investment to start the business. Additionally, we do not have enough data to make comparison with the other choices in the market or gains.

# **5. MARKETING STRATEGIES**

## **5.1 THE TARGET MARKET**

To determine the target market, we have two different research methods. First one is, primary research and the other one is secondary research.

### **5.1.a SURVEY RESEARCH**

Firstly to talk about the primary research, between the choices of qualitative research and survey research we decided to conduct a survey research.

In the next step, we decided to conduct this survey on the internet, rather than telephone and mail survey, since internet surveys are more reliable, quicker and less costly for us.

For the survey purposes, we prepared a questionnaire and asked key questions to the randomly selected people. The questionnaire and the percentage distribution of answers are given below: [6]

**innWi Market Survey**

Please answer question below

*No private information is needed or collected. Survey results will only be used for improving innWi®'s services.*

**Please note that all currencies in Dollars(\$).**

1. What is your age?

- 18<
- 18-29
- 30-45
- 45-60
- >60

2. What is your gender?

- Male
- Female

3. What is your education level?

- High School Level
- Undergraduate Level
- Graduate Level
- Doctorate Level

4. How much is your average income per month?

- <\$500
- \$500-\$1000
- \$1001-\$2000
- 2001-4000
- >4000

5. Do you follow the recent technological improvements?

- Always
- Often
- Sometimes
- Rarely
- Never

6. Which sources do you use to follow these improvements?

- Internet(News,Blogs,Forums etc.)
- TV Shows
- Magazines&Newspaper
- Friends

7. How many cell phones are being used in your household?

- No mobile phones used
- 2<
- 2-4
- >4

8. Do you have concerns with the dead batteries, when your cell phone is necessary?

- Yes
- No

9. Do you have concerns about buying, carrying, and using different cable chargers for different cell phones?

- Yes
- No

10. How much do you know about the wireless technologies?

- Very Much
- Average
- Not That Much
- Nothing

11. Have you heard about the wireless charging for cell phones?

- Yes
- No

12. How much would you pay for a wireless charging kit?

- <40
- 40-70
- 71-100
- >100

**Figure 2 - Questionnaire for Primary Data Collection**



According to the answers handed at 04.12.2011, 14:20, we have some concrete information to determine our target market.

However first, we have to accept that, this survey has generally reached to the university students and results generally show their answers.

If we figure out our target with respect to the survey results:

- Males and females between ages 18 – 45 constructs our main target market. To be more specific we can say that the age range of 18 - 29 builds the primary target market, but 29 -45 periods should not also be ignored.
- Education level of the target market is high according to results. It is seen that totally, 86% of the attendants says that, they are either at undergraduate, graduate or doctorate level. Connected to this result, income level of the potential customers are also average and high comparably.
- Majority of the attendants says that they often or always follow the technological developments. (59,19%)
- If we turn to more specific questions and results, most of the attendants complain about the dead batteries and cable chargers when they are necessary. (70% and 60%) This is a good sign for innoWi®, since we aim to satisfy such customer needs with WiCharger®.
- The results of the questions related to awareness and pricing of wireless charging technologies will be helpful in determining the pricing and promotion strategies.

### **5.1.b OBSERVATION**

To be more objective and real life oriented, we use observations of innoWi® shareholders and engineers to determine the target market.

If it is accepted that, survey has generally reached to university students and results are handed according to fact that. We can also add the age level of 29 - 45 to our target market. This fact is related to another result: since this wireless charger is called a new technology and expensive compared to the cable chargers, we can assume that people over a certain income level and living in big cities will shape our target market.

Additionally, since this product WiCharger® will also be used commercially in the cafes, restaurants and airports, people related to these places are also included in our target market.

### **5.1.c DETERMINED TARGET MARKET**

By the help of market survey and observations:

Males and females from the ages between 18 – 45, which are living in the big cities and have income which is higher than 1000\$ construct our target market.

### **5.2 PRODUCT POSITIONING**

While making a product positioning, we aim our product to be seen as a very new technologically advanced and “cool” product to be used. Additionally we need to stress that WiCharger® makes life easier for the consumers.

Consumer behavior is a key for us in this area. It is known that, by the human psychology, using the brand new products seem cool especially among the young consumers. Under this fact, we put our product as a “cool” one, when it is used in a café; user gets the attention of the others.

For the other main part shaping our target market, we aim to show that it frees the user from cables and some problems while using cable chargers. It makes the life easier and lowers the time consumption for charging the mobile phones.

### **5.3 CONSUMER POSITIONING**

In the consumer positioning part, we get the roots from product positioning. While advertising, putting images of “cool” people using WiCharger® in a café would be helpful for us.

Additionally, we can use the images of business man or woman using WiCharger® would increase the awareness of quality of WiCharger®.

### **5.4 COMPETITIVE POSITIONING**

Since there are not direct competitors in Turkey and competitive positioning based advertising is forbidden by the Turkish laws, we don't prefer positioning WiCharger® according to competition.

## **6. THE MARKETING MIX**

### **6.1 PRODUCT**

innoWi® enters the wireless charging market with only one product; WiCharger®. In the first steps, we do not want to present another second product, since we believe that without reaching the aimed awareness in the market, we would not be successful enough with more than one product. WiCharger® is the penetrating and starter product of innoWi®. We plan it to be the symbol product of the company.

In the product, company name, its being new technology will be stressed specifically. Colors of the logo of innoWi® are thought to be the main representative colors of the product.

After reaching the aimed sales amount and awareness, several different products could be introduced to wireless charging market.

### **6.2 PLACE**

First of all, internet based selling is the key for innoWi®. We plan to sell WiCharger® directly from the web page of innoWi®. However, we are aware of that it would not be enough to reach the potential customers. Again by using internet, we want to sell the product on the web pages where many users are signed up. These web pages will also make contribution to the awareness of the product.

Additionally, we also plan to make agreements with the technological device seller malls and technology wholesalers. Also we plan to give the allowance of advertising to these sellers to improve the general and local advertisement.

### **6.3 PROMOTION**

On the advertisement and promotion strategies, we can get help from the market survey that we have conducted to determine target market. Since our first aim is to reach our target market, by using the information that 72% of the attendants use internet to follow technological improvements, we firstly plan to use social network web pages to advertise. Facebook®, Twitter® and such networks would be suitable for the advertisement for us for several important reasons. These networks are followed by millions of user in Turkey and generally the users of these networks are the same with our target market. This is a very key and crucial point for us.

Additionally we plan to use Google® ads for advertisement. Google advertisement is basically constructed on “keyword” search. The idea is that, when a Google Search Bar user enters the keywords “wireless charging” there will be a advertisement of innoWi® at the top of the results. We select the keyword “wireless charging” but not the others since some other general words such as “wireless” are very costly for us in the beginning and over generalized terms for us.

We do not prefer to make advertisement on newspaper or TV since they are more costly for us, and our chance to reach the potential customers is less comparably.

So we can say that, we will use “pull type” strategies while advertising. The biggest reason to use such a strategy is that there is not enough awareness about the wireless charging technologies or devices in Turkey and “push type” strategies would not work for us for now.

#### **6.4 PRICE**

The wireless charging market is not a very big one in Turkey as stood before for several times. Competitors do not exist really; just some products are being sold online. Because of that we need to price our product at a lower price than them to get the biggest market share in the market. It means that we need to use penetration strategy and discourage some other possible entries to the market. Also we have to introduce WiCharger® at a low price since our biggest but indirect competitor is cable chargers and they cost very less for the users. So we have to put a reasonable price by taking care of our costs too.

With these information, price of WiCharger® is planned to be 100\$ per unit.

However after the first year, this price would rise to increase the profitability and create some source to invest on the other products.

#### **7. SALES FORECAST**

It is known that 96% of the companies rely on executive judgment while making sales forecast. [8] Delphi method is used to determine number of sales in the first year. We have conducted a discussion over the potential number of sales in the first year, with a group of experts and innoWi® engineers and the number we reached is; 5000 units for the first year.

We cannot use past sales data for determination, however near to the end of the first year in the business; we plan to make a better and more concrete forecast on the sales for the next year and next five years.

## 8. PROFIT ESTIMATION

To make estimation on profit, first we need to find our cost in the production of WiCharger®.

The potential costs for us given below:

- a. Raw materials cost: 36\$ per unit
- b. Place rent: 17\$ per unit
- c. Shipping cost: 6\$ per unit
- d. Labor cost: 4\$ per unit
- e. Advertisement cost: 4\$ per unit
- f. Other administration costs: 3\$ per unit

Totally, our cost per producing one unit of WiCharger® is 70\$.

Since our first aim in the beginning year is not making profit but being recognized in the market, we determined the price of WiCharger to be 100\$ per unit. Additionally, we sell the sockets from 20\$ each.

It means that we estimate that at the end of first year, we can make a profit of 290000\$.

## 9. CONCLUSION

To conclude, we prepared this very marketing plan to put key and main strategies of innoWi® mainly for the first year. By the help of this plan, we have information about the strategies over marketing, product, place, promotion, price, target market and our profit.

This marketing plan will be renewed after the end of the first year of business by the financial department of innoWi®.

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