

Marketing Plan

Chapter 19

Unit 4

Performance Objectives:

You will review and discuss a sample marketing plan. You will create a marketing plan for your own business following the same format.

Evaluation Criteria:

Successful completion of this chapter requires participants to:

- § Review a sample marketing plan.
- § Answer questions about the sample marketing plan.
- § Write your own marketing plan.

Marketing Strategy

Positioning Strategy

JR's Classic CDs is a buyer and seller of used CDs, vinyl records and tapes. In addition to used music, we will also be suppliers of new accessory items such as posters, CD, record, and tape cleaning kits, headsets, and portable music players. Our customers are music-loving males in the 16 to 65 age range from a wide range of educational and economic backgrounds. They have wide-ranging musical tastes. These customers generally buy music magazines and attend concerts frequently. They generally spend about \$40 per month on recordings. They use computers and the Internet more frequently than the general population. They frequently research and purchase recordings online. They like to talk music.

JR's Classic CDs storefront is situated on a main downtown street in a busy college town (city population 21,265) in Athens County, Ohio (county population, 62,235). The store is a small single-story, street-level retail shop. It has a retail sales area of 800 square feet.

The main competition is the Music Barn and Downtown Music, both located on side streets downtown. We plan to beat these competitors by offering a large variety of musical selections and offering a pleasing atmosphere and employees who care about their customers.

Our research has indicated that our target market likes to spend time browsing and talking to other music lovers, so we will hire employees with a varied knowledge of music and varied tastes that enjoy talking music. This market tends to be loyal to one record store once they have established a connection to the people within; price is often not a factor. Our main method of drawing and keeping customers is by the atmosphere at JR's: we are casual and low pressure. We take time to talk with our customers. We share a common love of music. We will have couches and comfortable chairs, and tables with back issues of music magazines (we will even sell coffee!), for music lovers to gather and chat. We want to be seen as the casual gathering place for music lovers.

Unique Selling Proposition: "The Place Where Music Buffs Gather..."

Price

Our pricing policy is as follows:

	Buy	Sell
Used CDs	\$3-\$4	\$7.85 to 11.35
Used Tapes	50¢ - \$1	\$1.50 to \$3.00
Used Vinyl Records	Market	Market

We will pay fair market prices for collectable vinyl records and will resell them at the best negotiated price. We are willing to take special orders to find rare or out-of-print recordings for customers. This service will require an upfront down payment and a search fee of 5% of the selling price of the recording.

Place

JR's Classic CDs storefront is situated on a main downtown street in a college town in Athens County, Ohio. The store is a small single-story, street-level retail shop. It has a retail sales area of 800 square feet. The walls are covered with CD racks and music posters. A unique feature of a music store this small is a twin-user listening station. Customers can listen to recordings prior to purchase. Couches and coffee tables make the atmosphere comfortable and casual.

Packaging

We have recently designed a new business name and logo to better reflect our positioning strategy. Our new name is JR's Classic CDs, to emphasize the quality and uniqueness of the music we sell. Our logo is a steaming coffee mug with jazzy music notes and our name to represent the casual, friendly atmosphere we are trying to achieve.



Promotion

Radio: We will run radio ads before and during certain music shows on two local commercial radio stations. We will also underwrite the overnight music show on National Public Radio. These ads will target specific audiences. The ads will describe JR's Classic CDs as a location for finding recordings from a wide range of musical styles.

Newspaper: Our flyer will be run as a newspaper ad in two local newspapers and in the free campus newspaper. A coupon is attached allowing a customer one CD for \$3 after the purchase of one at full price.

Punch Card Club: Many of our customers are repeat customers who will buy multiple recordings each visit. Therefore we have started a punch card system. Each participating customer is given a punch card. We punch the card once for each full price purchase of recorded music. When the customer has 12 punches on their card, they can get a free CD.

Web site: Our customers use computers and the Internet more frequently than the general population. They frequently research and purchase recordings online. Therefore JR's Classic CDs will establish an online presence. The Web site will have an online sales facility ("Shopping Cart") where customers can buy CDs, records, and tapes. In addition, we will maintain a customer email list and produce a quarterly e-zine with contributions from our customers.

Task 2: Write Your Own Marketing Plan

Use the information you wrote in Chapters 14, 15, 16, 17, and 18 to compile a complete a marketing plan. Write it in Word and print a copy for your instructor and one for your records. It will become part of your complete business plan later.

Notes: