

MKT 456 Feasibility and Marketing Plan Instructions for Fall 2009

Selecting a product: Your team will be assigned one of your preferred product/country combinations listed on the class Web site.

General requirement: You must do primary and secondary research. Examples of primary research include interviews with prospective buyers, government or trade employees, import/export dealers, or employees of the company making the product. You can conduct interviews via e-mail, phone, or in-person. Discuss your research and data in the feasibility analysis and then use these data to support your recommendations in the marketing plan. Be sure to cite interviews in the references and to call out your primary research in the text so it is evident that you completed it.

You will submit this project in three parts, presenting each to the class on the day it is due: 1) feasibility study (market analysis), 2) feasibility study (technical, financial, and organizational analyses, and 3) marketing plan, which includes copies of the full feasibility as an integrated study (in both paper form and as e-mail attachment).

Front matter: Letter of Transmittal and Executive Summary

(graded along with marketing plan in part 3)

After the study and plan are done, create the front matter to submit with the entire feasibility study and marketing plan at semester end. A **letter** of transmittal will be addressed to the company marketing director (or Dr. Judy Strauss if you can't find the name). See the online example if you've not written such a letter before. Its goals are to say "here is the plan," to sell it as the right solution, to express appreciation for the opportunity, and to say where you can be reached for questions (signed by the team).

The **executive summary** should not exceed two pages, and might be presented in a problem - solution format: to explore the product introduction feasibility and strategies in this country, then summaries of key information from all three parts of the paper. Perhaps focus on the target size and profile, competition, key risks and opportunities, then the plan objectives and strategies. No selling here, just a well written **summary** of what is within for executives who do not wish to read the entire plan. **Write this after you finish the plan.**

Part 1. Feasibility study: Market Analysis

A feasibility study evaluates the viability of a product introduction into a selected market with an emphasis on finding potential problems. Its purpose is to answer the question: Should we proceed with the introduction and what are the risks? Your study will include the following sections and subsections, but there is some flexibility for content depending on what you can find and what is appropriate for your unique product. Review the book's "country notebook" for

more definitions and ideas of other things that may be important and not included here, but note that this study is a bit different – follow this outline and use the same headings/subheadings as your organization scheme. Also note that I've posted plans from last semester as examples, but their instructions were somewhat different, so follow THESE. The overall page limit for each section should be followed, but you may adjust the page within however you see fit.

Market Analysis (7-10 pages, single spaced plus appendices and references)

- a. **General information** (1/2 page) about the country location, climate, history--whatever you think important for marketers in this company.
- b. **Consumer target market and potential** (1-2 pages) to include the **size, character, and growth trends** in your selected target market within the country. Give the rationale for selecting this market. Project the **market penetration** rate and absolute number in the target based on your estimated adoption rate for the product (later you'll estimate dollar sales potential). You might need to make assumptions here, but base them on logic. For example, you can look at the penetration and adoption rates in another country or for a similar product and assume this product would be similar.
- c. **Business target market** –(1-2 pages) these are the distribution channel wholesalers and retailers (including restaurants or other intermediaries as appropriate) who will buy your product and resell to consumers.
 - Include the **number, character, type**, and anything you can learn about them that will help forecast demand and aid your marketing efforts.
 - Include a small section on the business protocols, greetings, keeping time, space, gift giving, hospitality, negotiations, etc., that will help you sell to channel members.
- d. **Industry and competition** (1-2 pages). Include a full description of specific competitors, their size, strengths, and competitive products. Include both domestic and foreign competitors that sell in your country. Discuss key competitor prices, distribution channels, and promotional efforts.
- e. **Cultural and social analysis** (2-3 pages) to include:
 - a. Languages spoken/written
 - b. Religion(s) and religious influences in life and business
 - c. Customs/traditions/manners/habits: food, drinks, clothing, personal hygiene, myths, superstitions
 - d. Core values, norms, and attitudes relating to foreign and domestic products
 - e. High or low context culture (Hofstede's cultural dimensions)
 - f. Aesthetics, such as color meanings, music, symbolism, beauty, etc. (to guide advertising).
 - g. Social institutions – family life, educational institution, class systems, etc.
- f. Conclude with a 1/2 page **profile of a typical person** in your target. Describe him/her demographically, psychographically, geographically, and by any lifestyle and behaviors with regard to your product. This helps marketers to write ads - to one person, not a group.

Three things to watch for: 1) Note that the student resources on the textbook website has good descriptions of some of these topics, 2) this section of the paper should be relevant to your product so may not include all of the above, or may add other important concerns, and 3) it is interesting to talk about religion, for example, but it is much more relevant to tell how religion affects consumer behavior – especially with regard to your selected product. The purpose of this part is to build cultural sensitivity and to demonstrate resources for cultural analysis but make it relevant to the product of the feasibility study if you want a good grade (versus a simple report on the culture).

Part 2. Feasibility study: Technical, financial, and organizational analyses (and SWOT)

Technical, Financial, and Organizational feasibilities (5-8 pages single spaced plus appendices and references)

- a. **Company summary** (1 page). Strengths and weaknesses of the parent company and brand you are considering in this study. Discuss overall management, marketing, and financial health (so you can do the financial feasibility below). Specify strengths/weaknesses relating to your brand/product line (such as market share in U.S./world, pricing structure, competency with international marketing, and so forth).
- b. **Technical feasibility** (1-2 pages). This is the background for deciding how to deliver your product to the country. Here you'll explore options to see what is feasible: In the marketing plan you'll select among these for the actual strategy.
 - o **Raw materials and manufacturing capability.** Here you'll explore whether the product can be manufactured in the country or must be outsourced (are raw materials/natural resources such as electricity and water, and current factory/land and labor available in the foreign country?) Also consider where the business will be located and the technology needed to produce and sell it.
 - o **Channel structure.** What intermediaries are available in this country? This section will also include transportation options for either exporting the product from the U.S. to the country or for transporting to wholesalers, retailers or directly to consumers within the country. Note that you are not limited to production in the U.S. or market country – you can decide in the marketing plan to outsource elsewhere as long as you have good research and rationale based on this analysis.
- c. **Financial feasibility** (1-2 pages). This section includes two parts.
 - o **Country economic analysis.** This includes income per capita/household, GNP or GDP, distribution of wealth, trade restrictions (tariffs, quotas, import taxes, embargoes, licensing, duties), and so forth. If appropriate, also include international trade statistics such as exports, imports, and balance of payments. What is the exchange rate and its recent fluctuation history (e.g., inflation)?
 - o **Production costs.** How much capital is needed to start production, given your market potential? Does the company have the money or will it need to raise

capital through equity or debt offerings? What costs are involved in creating this product in the country you've selected for manufacture? Are "facilitating payments" necessary in this country?

- d. **Organizational feasibility** (1-2 pages). This section includes two analyses:
- **Country political/legal feasibility.** What is the role of politics, the political ideology, relationship with other countries, and legislation, regulations, or rules affecting intellectual property and marketing (such as bans on certain types of advertising)?
 - **Company organization.** What business structure do you think best for this introduction based on what is feasible in the country? Consider joint venture, exporting, and so forth. If you select locating a branch office in the country, are professional personnel available or will you bring them from the U.S? Note that you do not need to discuss the legal business structure here (such as Limited Liability Company, etc.).

d. **Conclusion** (1-2 pages).

End this feasibility study with:

- SWOT analysis that **summarizes the previous material from this and the market analysis (part 1)**. Use a table format and then write about how the company strengths match the market opportunities you found.
- A brief description of the risks you uncovered with this product introduction.
- A go/no go recommendation for marketing your product in this country (along with rationale).

Part 3. Marketing Plan (6-9 pages)

You must do a marketing plan even if you recommend not entering your country. Sometimes the CEO says to go ahead anyway, and you must do it. In any event, your plan will address the ways to overcome risks when you enter the market. The marketing plan will outline the market entry strategies that flow from the parts 1 and 2 feasibility analysis (i.e., be sure it is an integrated whole and not repetitive). Include the following:

- **Target market, objectives and positioning strategy** (1/2 –1 page).
 - First, restate the target market in just a few sentences. Give its descriptors, size, location, and key characteristics (e.g., the 2 million mothers aged 18-45 who live in the Italian metropolitan areas of X, Y, and Z. These mothers (then describe in a sentence).
 - Write a one sentence positioning statement to describe the desired image for this product as compared with competition in this market. Provide rationale, drawing from your SWOT and competitive analysis.
 - Write **at least three** plan objectives for the first year (e.g., number/dollars of sales, positioning). Follow the format: measurable task and time frame (e.g., sell 2000 widgets within the first year).

- **Marketing mix strategies** (3-4 pages). Throughout this section you should address any particular risks or obstacles you discovered in the feasibility analyses, such as political, competitive, or economic risks. Note: if you decide to enter the market via a licensing agreement or by using another type of in-country agent for your marketing efforts, designate all of the following marketing mix strategies for the agent as a sales pitch to gain the best agreement. In the budget section, tell how much fee you'll get. In other words, select the best arrangement but do the marketing plan even if someone else will handle it so you will learn how to do this part.
 - **Product:** describe the product in detail including benefits to your target and whether/how it is adapted (or not) for this market and why. What is your product's competitive advantage? In this section include branding, labeling, packaging, support services, or other relevant product features.
 - **Distribution:** How will you roll out the product (selective or extensive distribution in the first year)? What is your mode of entry (export, wholly owned, etc.)? What channels will you use? Give descriptions and company names if you can for intermediaries such as wholesale middlemen, retailers, and so forth. Logistics: how will you ship the product to the country if it is not made locally and how will you transport it within the country?
 - **Marketing communication:** What types of marketing communication will you use and in what media? What communication/advertising message will appeal to your market (adapted from U.S or not)? Be sure that this logic connects with your previous section on the country culture. What is your proposed promotion budget (can be a percent of sales)?
 - **Price:** What prices will you set, **both** to distributors and as a suggested retail price? In your rationale, give 1) competitive prices as a comparison, 2) your costs for production and marketing and 3) profit margin expected. (a table format would help). Finally, tell how you'll deal with currency fluctuations or other economic realities.
- **Revenue and expenses** (1 page): Begin this section with a forecast that builds on previous sections: the number you expect to sell in the first year based on your previous market potential estimates (it is probably in your objectives, but here you show how you got the number). Compare this to the target market size in early sections to be sure it is logical. Then, build a table with a one year forecast of sales revenue (based on your suggested prices), the projected expenses, and profit margin/ total dollar revenue. Expenses include production, transportation, and marketing communication costs (not salaries). The price you use depends on whether you are using indirect exporting (price to the agent) or selling directly to consumer.
- **Evaluation plan** (½ page): how will you measure the effectiveness of the plan? Suggest measurements for determining whether or not the objectives were met and for monitoring your strategies. For example, if you have a sales goal you'd simply monitor sales numbers

in a specified time period (daily/monthly, etc.). Other goals might require surveys to measure accomplishment. How will you monitor the channel member effectiveness? Think this all out so you are not wasting money on ineffective strategies.

- **References:** use in-line citing (author name date) and the APA reference style (e.g., a hyperlink is not enough). Note that normally you wouldn't cite like this in a management report but this is an academic requirement.

Project Evaluation

See the online evaluation matrices for both the written paper and oral presentations.

Your team members will receive the same grade on each paper unless the peer evaluations indicate that a member has not pulled his/her weight (see the syllabus). There are three oral presentations, one for each of the three parts. The team will be evaluated primarily on content, but also on visuals, delivery and how well you engage the class. Everybody speaks and a weak member can pull the team grade down, so help each other do well. Note that in marketing great oral presentations are critical, sometimes making the difference between getting the account or not, so make yours engaging, intellectual, interesting, and fun (relevant fun).