

Xi Jin

MARKETING PLAN FOR JINGCAI DIGITAL  
PRINTING STUDIO

Degree Programme in International Business  
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## MARKETING PLAN FOR JINGCAI DIGITAL PRINTING STUDIO

Jin, Xi

Satakunnan ammattikorkeakoulu, Satakunta University of Applied Sciences

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Supervisors: Kaartinen, Timo & Pirkanaho, Tapio

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The purpose of this thesis was to draw up an efficient marketing plan for Jingcai digital printing studio, which plans to be set up in Tianjin, China. The studio takes up providing all kinds of printing products for business customers. The aim of this thesis was to assist start-up company to gain customers' attention in the initial stage of company's long term development and build a concrete base for progress and further expansion in order to become a digital printing company with strong competitiveness in the local target market in prospect.

The theoretical part of this thesis was completed on the basis of process of marketing planning. The essential components consist of business mission, PEST analysis, competitors' analysis, SWOT analysis, marketing objectives, marketing strategy, marketing mix and implementation and control. Related theories were applied into practical case by reviewing a number of relevant textbooks and journals with regard to marketing plan.

For the empirical part, a qualitative research method was selected and a face-to-face online interview as well as with semi-structured interview questions were carried out so as to obtain a better understanding about the current situation of digital printing business in Tianjin. A marketing plan for Jingcai digital printing studio was conducted in the end with the assistance of results of the research.

The actual marketing plan for Jingcai digital printing studio began with the business mission and an analysis of external and internal market environment. After that the marketing strategy and marketing mix were designed. In order to have a clear picture of what the studio intends to do, a marketing calendar was created and subsequently the sales revenue and the expenses of marketing actions were estimated which was found on the decisions of the marketing mix. At last, the success of the marketing plan in real life depends on the appropriate implementation and control.

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## 1 INTRODUCTION

This thesis was to generate an adequate marketing plan for Jingcai digital printing studio. The company was to be founded by the author upon the completion of her study at Satakunta University of Applied Sciences. The mission of the marketing plan was to assist the start-up digital printing company to attract customers' attention and their awareness in the early stage of development and subsequently to heighten its profitability in the long term. It was greatly crucial to state that one of the most fundamental goals of Jingcai digital printing studio was to turn into an outstanding local digital printing company with strong competitiveness.

Chapter 2 was the theoretical part which introduces the stages of the marketing planning process. Business mission, market analysis, marketing objectives, marketing strategy, marketing mix decisions, financial plan and implementation and control which were the key elements of the marketing planning process were explained step by step. In Chapter 3, the purpose, objectives and the conceptual framework for the thesis were described. Chapter 4 stated the research method which collects reliable data. Chapter 5 was the empirical part in which a suggested marketing plan was described according to the theory of the marketing planning process. Chapter 6 was conclusion in which summarized the content of the thesis and the experience of writing it.

Compared to traditional printing business, digital printing business seems to have a huge market potential. Concerning printing process, it divides three general processes. Pre-press activities include designing the printing products, checking the contents of the printing products, CTP plate making and so on. However, CTP plate making is a very significant step. Usually printing a magazine needs dozens of plates which need to be prepared and made. Hence, it certainly needs to spend more time and money on plate making. After that the printing products can start to be produced by the printing machine. The post-press is bookbinding, packaging and so on. When it comes to digital printing business, it has all the advantages that the traditional printing business has. In addition, digital printing business also has some extra obvious advantages compared to traditional printing business. The main benefits are cost

and time savings because the process of plate making can be left out. Moreover, another competitive advantage is Print-On-Demand, which means digital printing company can print any number of printing products that the customer requires even if they only need one piece of product.

Relative statistic stated that printing business has become one of the key industries, account for 2% of China's national GDP. With information technology optimization and reformation of the printing way, digital printing is an inevitable trend of the development in the printing field. Moreover the growth trend of the digital printing business is 66% each year in China. (Website of Baidu 2012 & Website of 51 report 2012.)

In Tianjin, the digital printing business also has developed recently. There are some traditional printing companies and digital printing companies. Gaining customers' attention is especially significant for a newly established company. Therefore a marketing plan is able to help the company to have a foothold in the local market. Jingcai digital printing studio would be located in Tianjin, China. The main business scopes are to design and produce the printing products such as business cards, brochures, posters and so on. The reason the author would like to choose this topic is that she took part in her second internship in a Chinese printing company and also had worked in a copy shop before she came to Finland. Those previous working experiences help her determine what her future career is. Writing a marketing plan is a good start for her own upcoming company and making her dream come true ultimately.

## 2 DESIGNING A MARKETING PLAN

“The process by which businesses analyse the environment and their capabilities, decide upon courses of marketing action and implement those decisions” is called marketing planning. (Jobber 2010, 38). Marketing planning is part of strategic planning. The function of marketing planning ensures that the marketing mix for the product matches customers’ needs, as well as seeking opportunities to develop other products in new markets by taking advantage of the company’s strengths. Moreover, an additional function of marketing planning is to decide the allocation of resources to each product within the company.(Jobber & Fahy 2009, 315.)

However, the marketing plan is a blueprint for the implementation of marketing planning. A marketing plan is a written document which analyses the current situation related to customers, competitors, and the external environment and then offers guidelines for objectives, marketing actions, and resource allocations over the planning period for either an existing or a proposed product or service. Marketing plan is modified annually because it varies in timing and content across companies. In general, creating a written plan is useful even for the small size companies with limited resources because it provides companies with an overview of products’ strategies and performance during the past years, as well as helps managers plan and carry out marketing decisions for the forthcoming year. (Mullins, Walker Jr & Boyd Jr 2008, 20-21.)

### 2.1 Business mission

The business mission plays an important role in marketing planning process. A well-defined mission statement can help convey a sense of direction, relevance, and achievement among employees, as well as a positive image of the company among customers, investors and other stakeholders. (Mullins et al. 2008, 43).

There are four questions involved in a business mission statement. First of all, two fundamental questions need to be answered, which are “What is our business?” and “Who are our customers?” The first two questions define the role of the company

and the customer groups which are being served. Subsequently “What kinds of value can we provide to these customers?” can be answered, which implies the distinctive advantages and competences of the company, such as some special or unique advantages or competences the company possesses and can be provided to the customers. The last question that needs to be answered is “What should our business be in the future?”. It indicates what the company will do, what the company might do or what the company will never do in the future. (McDonald 2007,51-52; Jobber 2010, 41-42 & Mullins et al. 2008, 43.)

A few examples of the business mission statement are quoted following:

- Wal-Mart

“We save people money so they can live better.”(Website of Wal-Mart).

- Nike

“To bring inspiration and innovation to every athlete\* in the world.”

\*If you have a body, you are an athlete (Website of Nike).

## 2.2 Market analysis

Analysis of the company’s situation is the initial point for designing and managing the marketing function. The company can find out attractive opportunities and avoid environmental threats by analysing its market and the marketing environment. At the same time, analysing company’s strengths and weaknesses are vital as well. A marketing analysis depends on analysis of the internal and external environment of a company. External marketing analysis concentrates on macro-environment, the market and competition. An internal marketing analysis focus on the current internal situation of a company such as operating results, strategic issues analysis, marketing mix effectiveness, marketing structures and marketing systems, etc.

In brief, a marketing analysis is a systematic examination of a company's marketing environment, objectives, strategies and activities. The aims are to identify key strategic issues, problem areas and opportunities. (Jobber & Fahy 2009, 317-319).



### 2.2.1 Customers' demand analysis

For organizational purchasing markets, there are three major types of buyer. First, the industrial market involves the companies that buy the products or services to help them produce other goods and services. Second, the reseller market serves to organizations that buy products and services to resell. The third type of buyer is the government market. Government agencies purchase products and services to help them carry out their activities. In general, the company needs to know who they are, what choice criteria they use, how they rate competitive offerings and where they purchase the products or services. (Jobber & Fahy 2009, 57 & 318.)

Demand is the desire for a commodity supported by the ability and willingness to pay for it. Market changes may directly influence fluctuation of the demand. The changes are able to bring an opportunity for the demand of existing or new products in the meanwhile the demand of products may suffer a threat due to market variations. The main phases that can describe the demand lifecycle include emergence, rapid growth, maturity and decline respectively. In the emergence phase, new products or services appear in the market. Customers' awareness and acceptance for new products or services generate purchasing behaviour. In the rapid growth phase, products development and technological innovation stimulates demand growth. Subsequently, high customer's satisfactions lead to the maturity phase of demand, the changes in market share become smaller. After the maturity phase, demand tends to decline due to the emergence of more attractive products or services. (Website of doc88 2012; Pitt & Koufopoulos 2012, 31, 83, 232-242.)

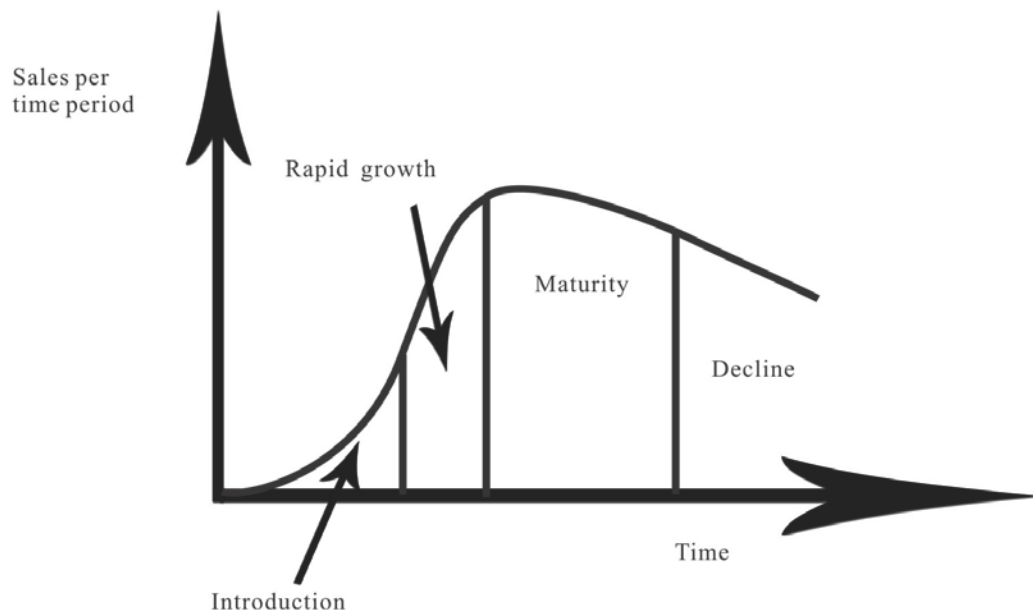


Figure 1. Demand lifecycle. (Pitt & Koufopoulos 2012, 31)

### 2.2.2 Competitors analysis

Competitor's analysis evaluates the actual and potential competitors and their objectives and strategies. Therefore, the main steps of competitor analysis are to identify key competitors, assess their objectives, strategies, strengths and weaknesses and select which competitors to attack or avoid. Once the company is able to have a clear picture of the strategic competitors, it will be able to design an effective competitor's strategy.



Figure 2. Steps in analyzing competitors (Kotler & Armstrong 2003,567).

The first step is to identify the competitors. A narrow definition of competitors is companies which offer similar products and services to the same customers at a

comparable price. For instance, Starbucks might see Costa as a major competitor in the Chinese market, not Heineken. Abroad definition of competitors can be defined as companies which make the same product or class of products in the market. For example, McDonald's is being a new competitor against Starbucks when McCafé is established in the Chinese market. The reason why the company needs to identify the competitors is that their actions can affect the performance of the company and therefore they need to be monitored. Companies can identify their competitors from the industry point of view which means they might see themselves as being in the industry so that the company must understand the competitive patterns in its industry if it hopes to be an effective "player" in that industry. Meanwhile, companies can also identify competitors from a market point of view. Competitors can be identified as companies that are trying to satisfy the same customer need or build relationships with the same customer group. In general, the company should see further when identifying actual and potential competitors. (Kotler & Armstrong 2003, 568 & Jobber 2010, 709.)

The second step is to evaluate competitors' objectives, strategies, strengths and weaknesses, and reaction patterns. After knowing who the main competitors are, the company needs to know their objectives. The company wants to understand competitors' market share growth, technological development, service and other goals. Like Kotler and Armstrong (2003, 568) said that each competitor has a mix of objectives. With understanding of the competitors' mix objectives, the company is able to know whether the competitors are satisfied with their situations and to forecast what their strategies are. Product's target market may be indicated by the marketing mix strategies such as price level, promotional approaches and distribution channels. After assessing the competitors' objectives and strategies, the company also needs to evaluate each competitor's strengths and weaknesses. Commonly companies can understand their competitors' strengths and weaknesses through secondary data, personal experience, and word of mouth. Evaluating the competitors' behavior provides the company with a guide to predict what competitors will do. In conclusion, assessing competitor objectives and strategies, and estimating its behavior are meaningful in perceiving how to attack competitors or to protect the company's current positions. (Kotler & Armstrong 2003, 568-569 & Jobber 2010, 711-713.)

The final step is to select competitors to attack or avoid. The company can divide the competitors according to the different competitors' positions which mean the competitors have several classes such as weak or strong competitors, close or distant competitors, and "good" or "bad" competitors. Some companies prefer to compete against weak competitors because they would not require more resources and time to the process. But the company may get a little outcome. However, the company may get more returns in the end if it competes with powerful competitors. Of course, the company will spend more time and require more resources as well. Concerning close or distant competitors, most companies would like to compete with neighboring competitors. At the same time, the company also should avoid "destroying" a neighboring competitor in case it encounters a stronger or larger competitor to compete with. In addition, "good" competitors will help increase total demand; share the costs of the market and so on. In the end, they lower the antitrust risk and improve bargaining power. On the contrary, "bad" competitors may break the rules in the industry and even bring considerable risks to the industry.(Kotler & Armstrong 2003, 571-572.)

### 2.2.3 PEST analysis

The PEST analysis is a helpful tool for understanding societies. As we known, the PEST analysis focuses on the macro-environmental analysis. The macro environment consists of a number of broader forces that affect not only the company, but also the other actors in the microenvironment. PEST analysis stands for Political, Economic, Social and Technological factors that affect business performance.(Jobber & Fahy 2009, 29).

Political forces impact on business activities of a company. Political decisions may be a driving force or block for a certain business. So the crucial political forces determine the rules by which business is conducted. Moreover, stable political environment also indicate financial risk, asset security and so on. Related to the printing business, some support from the government, tax policy, competition law and policy environmental law and other policies should be taken into account because those

regulations can have a profound influence on business conduct. (Jobber & Fahy 2009, 39; Pitt & Koufopoulos 2012, 48 & Jobber 2010, 73).

Major economic forces include economic growth, wage levels, the rate of taxation, interest rate and so on, which affect the supply and demand in the market and consequently influence how the company operates and makes decisions. So companies must choose economic influences that are relevant to their business and monitor them. Social forces also influence marketing decision. Understanding demographics help the company predict the size and growth rates of markets, and estimate demand potential for products or services in the market. For example, if the average age in a city is over 40 years old, they may care more about health than young people that means there are opportunities for companies that produce and sell healthy foods. (Jobber & Fahy 2009, 30; Pitt & Koufopoulos 2012, 47-48 & Jobber 2010, 76-77,86).

Nowadays, technological progress is affecting people's lives and companies' fortunes. Some technologies change lifestyles of people. For instance, people like to shop through the Internet. E-mail replaced the fax machine after development of Internet. As a result, monitoring the changes in the technological environment may offer some opportunities to the companies and help them dig for new market potential. The technological development plays an important role in the digital printing business at present. The faster developments of the technologies improve the efficiency of manufacturing products. In addition, the technological development can help companies have more channels to carry out the marketing activities such as e-marketing.(Pitt & Koufopoulos 2012, 46-47 & Jobber 2010, 90-91).

#### 2.2.4 SWOT analysis

The SWOT analysis is an analytical tool to evaluate the strategic position of a business by identifying its strengths, weaknesses, opportunities and threats. By using the SWOT analysis, it can help a business carry out a quick strategic review and then find ways to transform weaknesses into strengths, turn threats into opportunities.



Figure 3. SWOT analysis (Morrison 2011, 159).

Internal strengths and weaknesses of a business are compared with the competitors. Strengths are advantages that the company owns exceeding the competitors' such as a clear marketing strategy, satisfactory financial situation and so on. In contrast, weaknesses are the disadvantages comparing with competitors such as low employees' motivation, shortage of IT efficiency and so on. External opportunities and threats relate to the main factors in the societal environment, market potential, new entrants, new demand and so on.

When a SWOT analysis has been completed, company harvests a clear picture of understanding of its environment. The following tasks of the company are to turn weakness into strengths and threats into opportunities. For example, by researching on customers' satisfaction, the company finds that the customers are not satisfied with attitudes of front-line staffs, so the company will organize staff training in order to turn weakness into strength. In contrast, if the company does not take any actions to respond to this weakness, it is possible for it to become a threat to the company over time, may be some new entrants with good customer services catch this opportunity and enter the market. In this case, the company can attempt to cooperate with the new entrants, combine the strengths of both parties to develop a new opportunity. (Jobber 2010, 46-47.)

In addition, strengths may change into an opportunity or threat. For example, if modern technology is available and the company has an ability to use the existing technology to develop products, it will be a new opportunity for the company. However, if the company cannot make use of the technology, it will generate a threat when the competitors make use of the modern technology. Similarly, opportunities may become the strengths. For instance, a new market opportunity is discovered but the current financial situations of the company do not have an ability to exploit it. Under the circumstance, if the company can do the best to find a way to achieve the objective such as taking a loan, the company can exploit the opportunity and then turn it into the strength of the company. (Friend & Zehle 2004, 86-87.)

SWOT analysis helps companies summarize the market and its environment so that the company can exploit their sustainable competitive advantages. In a word, companies should keep their strengths, diminish their weaknesses, exploit their opportunities and avoid threats.

### 2.3 Marketing objectives

McDonald (2007, 275) defines marketing objective which is the quantification of what an organization sells (its products) and to whom (its markets). A clear objective can help a company know what its strategies are expected to accomplish and when a special strategy should be implemented in order to meet the objective. In other words, the strategic decision and actions will not be effective and succeed without definite objectives. (McDonald 2007, 276).

The Ansoff Matrix is a practical tool to help a company think about marketing objectives. The Ansoff Matrix is about what is sold (the product) and who it is sold to (the market). The matrix identifies four possibilities for the company:

- Selling existing products to existing markets
- Extending existing products to new markets
- Developing new products for existing markets
- Developing new products for new markets

The benefit from the objectives is to provide the means for evaluating the performance of a business. Hence, the objectives should follow the SMART concept so that the objectives can be achieved in real life.

- **Specific:** the objectives need to be clearly expressed and conveyed within the organization. It cannot be ambiguous. For example, the objective of a company is to improve the customers' satisfaction. It is an ambiguous objective because there are many ways to fulfill the objectives, such as improving service attitude or reducing customer complaints.
- **Measurable:** the objective should be measurable by setting a specific number or quantity. Thus, it is convenient for companies to evaluate if the objective are reached.
- **Achievable:** marketing objectives are able to be implemented and accomplished through efforts.
- **Realistic:** marketing objectives must relate to the business and its other objectives. Otherwise, it is meaningless.
- **Timeable:** the goals need to be completed in a specific time. (Hollensen 2011, 9.)

#### 2.4 Marketing strategy

“Marketing strategies are the means by which a company achieves its marketing objectives and generally concerned with the four major elements of the marketing mix”. (McDonald 2007, 298). Nowadays, customers have unique needs and buying behaviors. It is impossible for a company to serve and satisfy the entire market in the same way. Therefore, the company must identify the parts of the market that it can serve best and most profitably instead of serving all customers and competing with all the competitors in the entire market. In a nutshell, marketing strategy can help companies achieve objectives, possess unique competitive advantages and build the right relationships with the right customers.



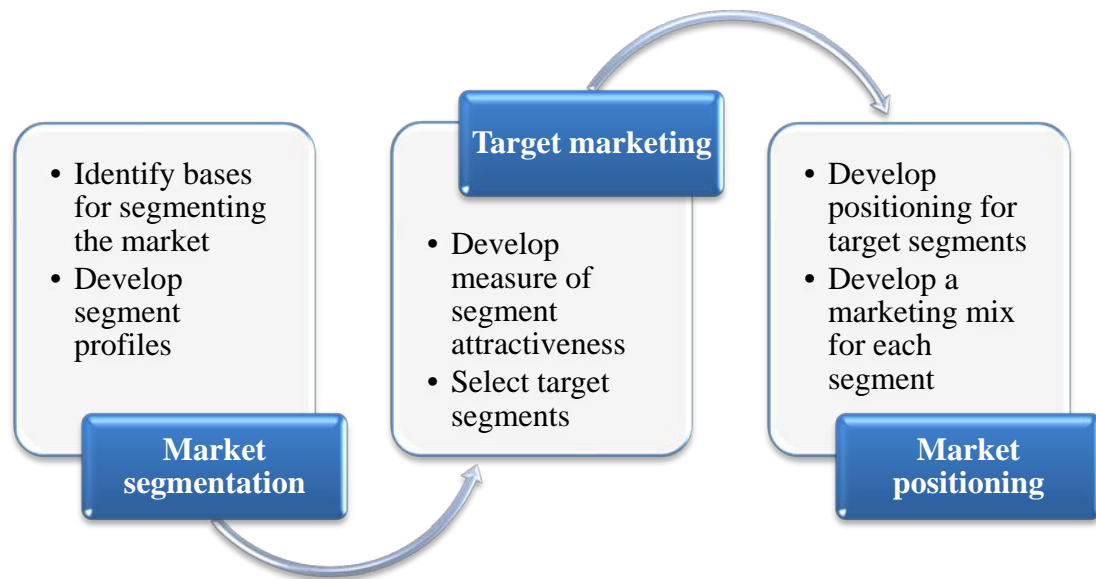


Figure 4. Steps in market segmentation, targeting, and positioning.(Kotler & Armstrong 2003, 238-239 & Doyle 2002, 62).

#### 2.4.1 Segmentation

According to Kotler and Armstrong (2003, 239), market segmentation means dividing a market into distinct groups with distinct needs, characteristics or behavior that require separate products or marketing mixes. Thus an entire market is divided a number of small markets with similar needs. These similar markets with the same needs can be served effectively so that the company is able to better compete with its competitors.

When it comes to organizational markets, they can segment their markets by using many of the same variables of consumer markets such as benefit sought, user status, user rates and loyalty status. Comparing with consumer market, the organizational customers may look for more information about the products or services before they make buying decisions. Hence, some key variety of criteria might be considered which consist of organizational size, industry, geographic location, choice criteria and purchasing organization. (Kotler & Armstrong 2003, 248; Jobber & Fahy 2009, 115-117; Jobber 2010, 275-277 & Website of Smetimes 2010.)

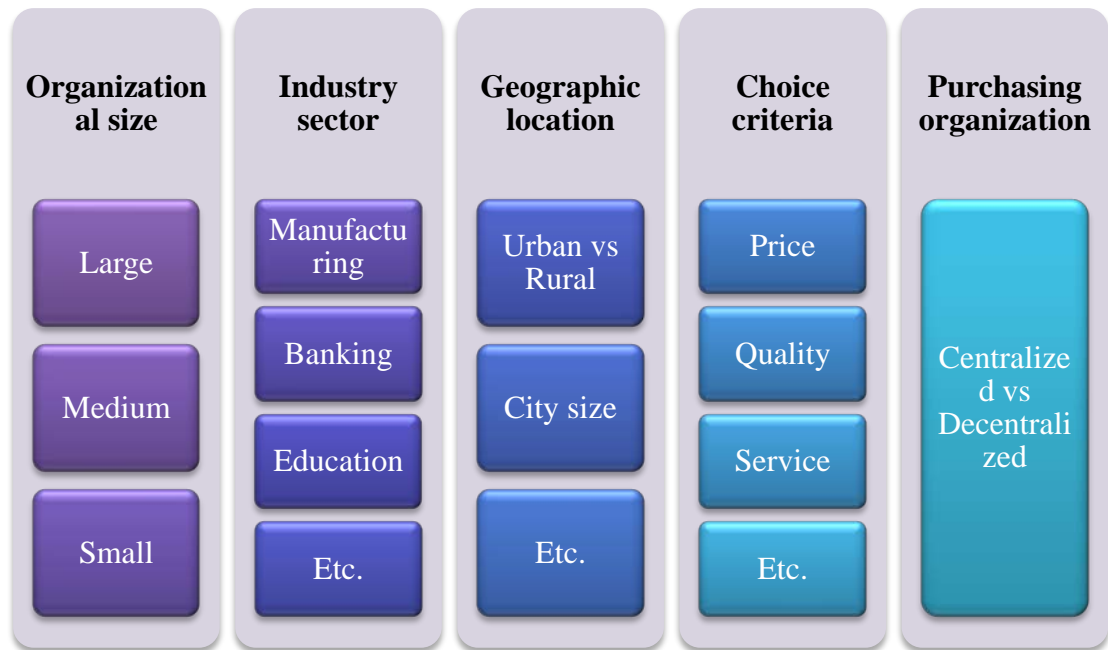


Figure 5. Major segmentation variables.(Jobber & Fahy 2009, 115-117; Kotler & Armstrong 2003, 248 & Jobber 2010, 274-277).

The following requirements can help a company segment market successfully:

- **Effective.** Customers who have similar needs should be organized and placed in one segment. If there are similar needs in the other different segments, the segmentation strategy should be modified.
- **Measurable.** The features of a segment can be measured such as the size, purchasing power, income and so on.
- **Accessible.** The segment market can be reached by some effective promotions and distributions.
- **Actionable.** The company should have the resources and skills to serve the segment market.
- **Profitable.** The segment market must be large in order for the company to get profits from it. On the contrary, if the company uses lots of resources and services on the small segment, it does not get enough profits from them as a result. Therefore, the company should serve a segment market which is profitable. (Jobber & Fahy 2009, 117; Kotler & Armstrong 2003, 250-251 & Doyle 2002, 71-72.)

## 2.4.2 Target marketing

The company needs to evaluate the market segments by using five requirements mentioned above. After that it can decide what and how many market segments it will target. According to common needs or characteristics of selected market segments, then the company creates one or more marketing mixes to serve the selected markets. (Kotler & Armstrong 2003, 251).

There are four target marketing strategies the company can choose: undifferentiated marketing, differentiated marketing, focused marketing and customized marketing.

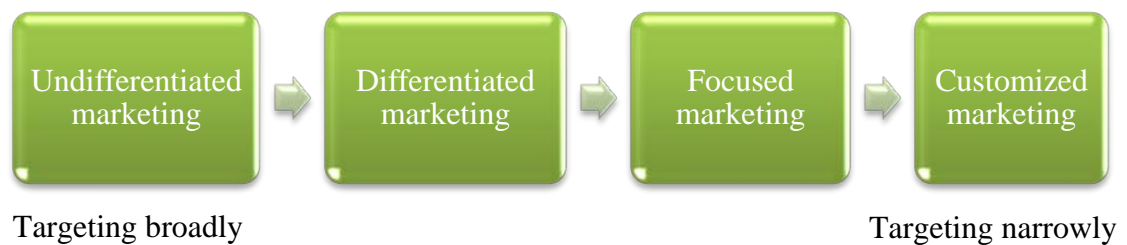


Figure 6. Target marketing strategies (Kotler & Armstrong 2003, 252).

**Undifferentiated marketing:** the company designs a single product and a marketing mix that will serve the entire market. The undifferentiated marketing strategy focuses on the common customers' needs instead of differences among customers. The company which uses an undifferentiated marketing strategy will confront more competition with more focused companies that offer specific needs to the customers.

**Differentiated marketing:** according to the market segment differences, the company designs the different products and marketing mixes to satisfy the different needs of customers. By selecting a differentiated marketing strategy, companies can strengthen market position within each segment and gain more total sales than undifferentiated marketing strategy. At the same time, differentiated marketing also increases the costs of doing business. In consequence, companies need to balance the aggregate sales against increased costs when choosing a differentiated marketing strategy in order to get profit.

Focused marketing: focused marketing strategy usually is applied by some small companies with limited resources. The company creates a marketing mix that will serve one or few segment markets which are ignored by larger competitors. Through focused marketing, the company can capture a strong market position because special needs of customers are well understood and satisfied in the niches markets. In conclusion, focused marketing strategy helps small companies get a foothold in the beginning.

Customized marketing: the company tailors distinct marketing mix to satisfy the requirements of individual customers. The characteristics of individual customers are that they have diverse requirements and sufficient purchasing power. For this reason, this strategy can be used within organizational markets because of the high value of orders that can be received when serving these individual customers. (Jobber & Fahy 2009, 117-120; Kotler & Armstrong 2003, 251-254 & Jobber 2010, 281-284.)

#### 2.4.3 Marketing positioning

Marketing positioning is defined as the act of designing the company's offering so that it occupies a meaningful and distinct position in the target customer's mind. It becomes necessary to ensure that the relative position occupied in the customer's mind is most favorable so that your brand can be the first one that comes to their minds when they think about special needs. (Jobber & Fahy 2009, 121 & Brennan, Canning & McDowell 2011, 163.)

Consequently, the purpose of marketing positioning is to create and maintain a distinctive place in the market for a company or its products. In order to have a distinctive place in the market, a company needs to provide the customer with a differential advantage. It means that the company can provide the customer something better than the competition is offering. A differential advantage can be designed by using marketing mix. For example, the company provides the customer a product with more added features which cannot be imitated by rivals, or more memorable and valuable images can be created by advertising, and high-class services provided by sa-

lespeople. These differences can help customers make brands comparison between company and competitors.(Jobber 2010, 285.)

There are four keys for successful positioning:

- **Clarity.** The ideas should be clear in terms of the target market and differential advantage. The complicated positioning statement cannot be easily remembered so a successful positioning must be clear and memorable.
- **Consistency.** Nowadays an abundant of messages are delivered to customers by different channels. Keeping a consistent message is helpful for the company to evoke customers' memories.
- **Credibility.** The differential strength that the company provides should be credible. A credible message may attract customers' attention, maintain a good image in their minds. On the contrary, positioning with lack of credibility lead to customers choosing competitor's products instead of yours.
- **Competitiveness.** Some competitive advantages should be chosen which cannot be possessed by the competitors. It means that the chosen competitive advantages are unique, valuable and difficult to be imitated by the competitors. (Jobber & Fahy 2009, 122-123 & Jobber 2010, 285-286.)

It is beneficial to draw a perceptual map for a company to determine the position of a brand in the market. Consumer perceptions and competitors of the company can be seen in a two-dimensional map so that the company can see the different positions of its competitors and find out an opportunity that may exist for the company and decide where its brand should be positioned in the market. (Jobber & Fahy 2009, 123 & Jobber 2010, 287.)

## 2.5 Marketing mix

Marketing mix is a tool to implement marketing strategies in order to accomplish the company's objectives and goals. "Marketing mix is the set of controllable marketing variables that the firm blends to produce the response it wants in the target market". (Ramachandra, Chandrashekara & Shivakumar 2010, 38).The primary elements of the marketing mix include Product, Price, Place and Promotion. Combining the cha-

racteristic of the services, three additional elements that are People, Physical evidence and Process are added into 4Ps framework. (Jobber & Fahy 2009, 9 &173).

### 2.5.1 Product

The company's product is the core element of the marketing mix because it provides the functional requirements sought by customers. A product is anything that is able to satisfy customer needs or wants through use, consumption, or acquisition. Concerning difference between products and services, people commonly think products are tangible whereas services are intangible. However, when we think about what the customer is buying, it is essentially a service whether the means is tangible or intangible. Hence it is logical to include services within the definition of the product. Whether it is physical products or service products, the aim is to satisfy customer needs eventually. (Jobber 2010, 303 & Mullins et al. 2008, 239.)

When companies provide the products to the customer, they have to think about products on three levels: core benefit, actual product and augmented product. In fact, the customer buys a product not only because of the product itself, also on the basis of the potential value of it.

The first level of products is the core benefits, which response to what the customer really wants or needs, are the solutions to customer problems or needs delivered by the product. At the second level, the core benefits must be turned into an actual product. At this level, the company should design an actual product with more features, a creative design, a high quality level, an elegant packaging or an allegorical and unforgettable brand name so that the core benefits can be better delivered to customers. Subsequently an augmented product can be formed by offering additional customer services and benefits on the basis of the core benefits and actual product, which can help customers better identify products and distinguish them from others. The augmented product can be after sale service, warranty, installation and delivery and credit. Briefly, providing customers a product with the benefits, features and other supplementary services or benefits heighten customers' satisfaction. At the same time it can enhance competitive advantages against with its competitors in the target market.

(Kotler & Armstrong 2003, 279-280; Jobber 2010, 311-313 & Mullins et al. 2008, 238.)

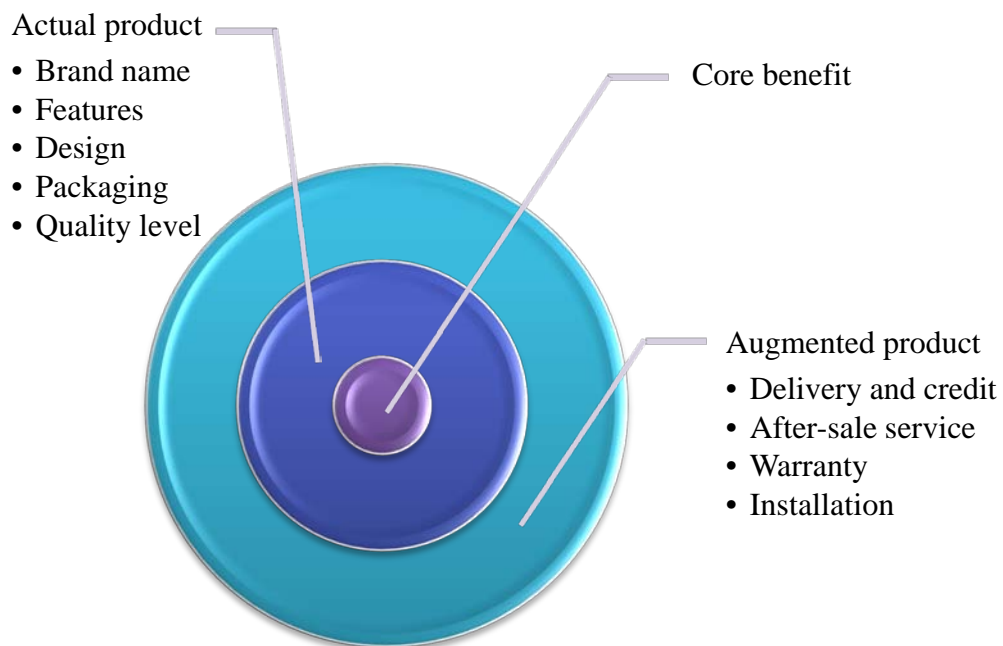


Figure 7. Three levels of product (Kotler & Armstrong 2003, 279).

### 2.5.2 Price

“Price is the amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefits of having or using the product or service” (Kotler & Armstrong 2003, 345). In the marketing mix, price is the only element that generates revenue. All other elements are costs.

The more competitors there are in the target market, the more pressure there will be when setting prices. As a result, for the business to succeed, there are internal factors and external factors need to be considered when setting prices. Company’s marketing objectives, the marketing mix strategy, costs, and organizational considerations are internal factors, which affect pricing decisions. If a company has had a specific target group and market positioning, price can be set straightforward. For example, if the target groups of a restaurant are the students, the price that the restaurant should be set is inexpensive in order to most of the students are able to pay. Price is only one of the marketing mix tools that a company uses to reach its marketing objectives. The

price decision must be taken into account the products design, place and promotion decisions because they may affect pricing decisions. For example, a company positions its products with high technology, an expensive price may be charged to cover higher costs. (Kotler & Armstrong 2003, 347-348 & Reuvid 2011, 21.)

A company's costs may be an important element in its pricing strategy because company requires that price must cover all costs for producing, distributing, selling and so on. Costs include fixed costs and variable costs. Fixed costs are costs that do not change with the production or sales situation such as labor costs, rent and so on. In contrast, variable costs change with the production situation. The sum of the fixed and variable costs is called total costs. In addition, organizational considerations also are one of the internal factors that affect prices. The organizational structure of the company decides who within the company sets prices. A large company must have a detailed organizational structure so that there are specialized department to deal with prices. For a small company, prices may be set by the top manager instead.

External factors that affect pricing decisions include the market and demand, competition and other environmental elements. Commonly costs decide the low limit of prices and the market and demand decide the upper limit. Therefore, the company must know the demand situation in the target market. Different types of markets and customers' perception will affect the pricing decision. For example, in a pure monopoly, only one seller in the market and the seller may be a government organization. A government monopoly can have some different pricing objectives. So the price may be lower in order to let customers afford it. However, in monopolistic competition market, there are many sellers who sell similar products with different prices level. So sellers must consider different market and demand situations to set prices in order to achieve their objectives. In addition, competitor's costs and prices are another external factor affecting company's pricing strategy. The company should understand the competitor's prices and set a competitive price by comparing the competitor's price. If the company sets a low price without considering factors, it will encounter a risk that forces itself out of the market because of low price and low margin strategy. Last but not least, economic conditions also need to be considered when setting prices because inflation or interest rates will affect the company's pricing strategy as well. (Kotler & Armstrong 2003, 352-357.)



In conclusion, product costs set a minimum price or a price floor and consumer perception of the product's value decides a maximum price or a price ceiling. So the company needs to consider internal and external factors to determine the best prices within the floor-to-ceiling range. In addition to considering these factors, choosing a suitable way to set the price is also crucial. There are three general pricing approaches including the cost-based pricing, the buyer-based pricing and the competition-based pricing. (Kotler & Armstrong 2003, 357 & Lovelock & Wirtz 2004, 153.)

Cost-plus pricing is the simplest cost-based pricing approach which adds a standard markup to the cost of the product. Markup pricing only can be used if that price actually brings in the expected level of sales because the company sets prices that cannot ignore demand and competitor prices in a competitive market. Nevertheless this approach still is popular way for some companies to set prices. First, companies know more about costs than about demand. Demand is unpredictable and it changes due to external market and economic factors. So companies can set prices based on the costs so that they do not have to make frequent adjustments as demand changes. Second, the price may be similar when all the companies in the industry use the same way to set a price, which leads to decreasing price competition. Last, it will be a win-win approach for customers and companies. Companies can earn a profit. Meanwhile, it also does not take advantage of customers when customers' demand becomes great.

Comparing cost-based pricing, value-based pricing uses buyer's perceptions of value. The companies set prices based on customer's perception of value which means the company does not first design the product and marketing strategy and then to set a price. In contrast, the company will reckon that the target value and price the customers want or expect and then make decisions about product design, cost division and so on.

The third approach is competition-based pricing, which means companies monitor what competitors are charging and then set prices accordingly. So the price may be set the same as, more than or less than its competitors in the target market. Comparing previous two approaches, companies pay less attention on their own costs or demand when using competition-based pricing. For some small companies, they commonly follow the leader in the market. They will not change the price based on their

own costs or demand. In short, analyzing internal and external factors carefully, and choosing a suitable pricing approach help company acquire a satisfactory profitability. (Kotler & Armstrong 2003, 357-361 & Lovelock & Wirtz 2004, 157,163.)

### 2.5.3 Promotion

Promotion is a tool to help a company convey the benefits of the products and products' position into the customers' minds. The company can communicate with existing and potential customers. It is also a crucial element in a company's efforts to build customer relationships. In order to achieve the company's objectives and match with the marketing strategy, the promotion decisions the company made should be effectively conveyed to the target audience.

Promotional tools include advertising, sales promotion, publicity, sponsorship, personal selling and direct marketing and Internet marketing. However, each promotional tool has its own strengths and limitations. The following are five considerations the company should pay attention to when making promotional decisions:

- Resource availability and the cost of promotional tools: the company must choose reasonable promotional tools according to its internal and external conditions. For instance, cheaper tools such as sales promotion would be recommended for a small company instead of an expensive advertisement.
- Market size and concentration: if a target market is small and concentrated, personal selling may be a choice however it will be a costly choice if the market is so large that more salespersons are needed. Instead, advertising or direct marketing may be the better choice.
- Customer information needs: the promotional tools are selected according to the business types. For a design company, more face to face communication is needed so that the company can correct and fast answer questions the customer asked. Under the circumstance personal selling is a good choice.
- Product characteristics: an advertisement is a better way for consumer goods companies to create customer attention whereas personal selling would be preferred to industrial goods companies.

- Push versus pull strategies: “a push strategy involves “pushing” the product through distribution channels to final customers”. If company chooses push strategy, personal selling is more likely to be used to communicate with intermediaries and sell products to them. In contrast, a pull strategy is to communicate with customers directly. In such circumstances advertising may be the best choice. By advertisements, customers receive information about products and then may demand from retailers or wholesalers which lead to intermediaries place orders from the company. (Jobber & Fahy 2009, 217; Jobber 2010, 462 & Kotler & Armstrong 2003, 483.)

Linking with Jingcai digital printing studio, there are some of the promotional tools are able to be used in the different stages. Kotler & Armstrong (2003, 494) define advertising in their book which is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor. The first communication objective of advertising is to help companies create awareness. Awareness creation is significant especially for a new company or a new product. Second, advertising can encourage customers to try it. Third, it also helps positioning of products in the minds of customers. Advertising media consist of television, press, posters, cinema and radio. No matter which media company chooses, messages about products or services can be delivered to its target audience. Related to Jingcai digital printing studio, posters are a very helpful support medium because their message is easily remembered by the target groups. Moreover poster advertising is typically used to build awareness and image of the brand. (Jobber & Fahy 2009, 220-225; Jobber 2010, 469-470 & Mullins et al. 2008, 339.)

Personal selling is the interpersonal arm of the promotion mix. Comparing advertising, personal selling is a face-to-face communication between the buyer and the seller. Personal selling is more effective than advertising in more complex selling situations. Nowadays, salespeople who are well-educated and professional help companies improve company's image and maintain long term customer relationships. Salespeople with excellent sales skills would like to listen to their customers, talk with them, understand their special requirements and solve their problems. (Kotler & Armstrong 2003, 526-527.)

Direct marketing is a direct connection with the target customers. The company uses direct marketing methods to develop ongoing relationship with customers. Direct marketing brings many benefits to both buyers and sellers. For the buyers, direct marketing is convenient and easy way to get information what they want by mail or phone. For the sellers, direct marketing can offer sellers a low cost, economical alternative for reaching their target markets. Moreover, the core of direct marketing activity is the marketing database, since carrying out direct marketing activity depends on customer information. A marketing database consists of a list of names, addresses, telephone numbers, lifestyle and transactional data. Marketing database provide company customer information in order to directly communicate with customers through a variety of media such as direct mail and telemarketing and also help company predict future behavior of customers. (Jobber 2010, 547, 549; Kotler & Armstrong 2003, 543-550 & Pinson 2004,46.)

Sales promotion typically offers a short-term incentive to customers. It can be offered at a specific price, at a specific time period, at physical stores by direct mail, website or other channels. The objective is to accelerate the purchasing decision. Some sales promotion techniques can be utilized by companies such as price discounts or gifts. In general, using sales promotion techniques to increase competitiveness, boost sales during periods when demand would be weak. (Lovelock & Wirtz 2004, 138; Jobber & Fahy 2009, 228; Mullins et al. 2008, 353-354 & Pinson 2004,48.)

Internet marketing is defined as the achievement of marketing objectives through the utilization of the Internet and web-based technologies. With the development of digital technologies, for the companies, messages can be spread rapidly to customers over the Internet because a lot of people spend most of their leisure time online. At the same time, customers can conveniently access to a website, social media sites or blogs to search messages by mobile phones or laptops no matter where they are. Concerning budget, the application of digital technologies reduces costs on communication with customers comparing other promotional tools. Moreover, the messages also can be easily updated. In conclusion, by some popular promotional tools the company can acquire customers' attention, boost sales, and keep long-term relation-

ship with customers. (Jobber & Fahy 2009, 263-265; Jobber 2010, 481,665 & Inci 2010.)

#### 2.5.4 Place

Producing products that customers want, setting an acceptable price and designing effective promotional activities are significant but still cannot gain customers satisfaction. Choosing a right place is also a vital element for satisfying customers' needs. The place is also known as distribution. Ruskin-Brown (2006, 116) defines distribution as "route to market". If the customer cannot find a channel to buy the product, the product will not be sold even though the rest of company's marketing mix decisions are perfect. (Jobber 2010, 625).

Distribution channels help the company sale and serve the final customers. The types of distribution channels are a direct marketing channel and indirect marketing channels. So called direct marketing channel means no intermediary involved in and the company directly sells to customers. On the contrary, indirect marketing channels contain one or more intermediaries such as a business distributor or an agent. The products are sold to final customers by no more one intermediary. (Kotler & Armstrong 2003, 402-403.)

Selecting an effective distribution channel is vital. The following factors influence channel selection. The first one is market factors which are related to buyer behavior. Buyer expectations may indicate that the product should be sold in a certain way. Insufficient research and a false understanding of buyer's expectation can lead to desperate consequences. Therefore, in which ways customers prefer to buy products determine the channel decision. The second factor is producer factors. Lack of adequate resources to perform the functions of the channel may be an obstacle on the channel decision. If producers feel that they do not possess the customer-based skills to distribute their products, they may prefer to rely on intermediaries.

Product factors also impact the channel selection. For instance, perishable products such as food or fruits require relatively short channels to supply the customer with

fresh stock. In consequence, some products which are difficult to stock may need direct channel in order to avoid some problems happening during transportation. Lastly, competitive factors. If traditional channels of distribution are utilized by competitors in the current market, a creative approach to distribution may be expected. (Jobber 2010, 632-633.)

### 2.5.5 People

People who deliver service to the customers play a significant role in the company. They help companies to gain additional value and customer loyalty as well. Service quality depends on the quality of the service provider. Moreover, customers are included in as well. They make judgment on the products and services and then affect their buying decisions. (Website of Dostoc 2010). In the digital printing business, the attitudes and behaviors of the front-line staffs who communicate with customers strongly impact the customers' perceptions of products quality. Designers and other employees who are responsible for production also occupy key positions in influencing customer's satisfaction.

As a result, the company must make the staff feel that they are treated well so that they can serve customers well. An important marketing task is to set standards to train and monitor staff's performance. Without training and control, the different performances of employees it may lead to poor service quality. In a customer oriented business, the company needs to recruit the right staff who have right and special skills, give them rights to handle customer problems, encourage and support them to make improvements in service delivery, motivate them to care about customers' needs and provide the back-up of management and systems to do the job right first time. (Jobber & Fahy 2009, 175 & Hatton 2000, 190.)

### 2.5.6 Physical evidence

What is the decoration of a restaurant like? What is the product's package like? Do the staffs wear uniform when they are working? Customers always would like to look for these clues to evaluate the products or services before purchasing. These

clues are physical evidence, which is tangible goods that can facilitate the communication with customers and convey an impressive image, thus improving the satisfaction level of the customer. Tangible goods can be staff uniforms, decorations of the store, web pages, and business cards and so on.

As mentioned above, customers frequently use the physical evidence as important product quality estimation, therefore companies design visible evidence to signal quality and to portray the desired image. Each physical evidence company provides enhances its positioning. Furthermore, changes in the tangible evidence also can help the markers reposition their brand to meet the changes of the market condition. In addition, physical evidence helps to build up appropriate feelings and reactions in customers and employees. For example, the atmosphere of a shop can be expressed by decoration and color play an important role in establishing mood because different colors mean differently. In a word, all physical evidence of the product or service can distinguish a company from its competitors and impact customers buying decisions accordingly. (Jobber & Fahy 2009, 176-177; Hatton 2000, 191 & Lovelock & Wirtz 2004 285-287.)

#### 2.5.7 Process

Process means work activity which assists companies to deliver the services or products to the customers. Process decisions play a crucial role in the marketing mix that can improve the competitiveness and affect how the image of the company is in the customers' mind. Therefore, any improvements in the process will lead to an improvement in service quality. (McDonald, Frow, & Payne 2011, 310).

Take an example of waiting for service which is a common experience for customers and is a strong determinant of overall satisfaction with the services or products and customer loyalty. If a company can take advantage of waiting for a service, the company can get a differential advantage by making the waiting time interesting, which can prevent customers feeling bored. In addition, reducing delivery time also can improve the service quality. Once the customers can get the right products or services as they expected, the company's reputation will be increased. (Jobber 2010, 846.)

## 2.6 Financial plan

Planning business finance and carrying out financial plans is a continuous process in the daily administration of a business. Financial plan is a blueprint through which a company estimates the total funds requirements. It may be a short term or long term. There are two elements financial plans contain: an operating budget and a capital budget. The operating budget means the revenues and expenses when carrying out a project or plan. The capital budget defines capital investments required to support implementation. (Reddy, Appannaiah & Sathyaprasad 2010, 292-293 & Axson 2010, 109.)

Financial plan is a forward-looking view, starting today and going forward into the future. Related to this case, revenues and spending of marketing actions are taken consideration. As one part of a financial plan, all revenue is generated by sales and accurate sales forecasts are the critical link in the budgetary process. So the situation of market demand and the capacity to provide the products should be taken into account when forecasting the revenue. Next, expenses associated with marketing actions are planned before implementing the marketing plan to target markets. This means that all promotional marketing actions must be calculated in advance. (McDonald, Frow, & Payne 2011, 214-215; Wasserman 2010 & Website of Marketing teacher 2000.)

## 2.7 Implementation and control

It is not a sufficient condition for company's success if the company merely design marketing strategies and plans that meet present and future market requirements. The company needs to translate marketing strategies into action through effective implementation. Implementation focuses on actions: who is responsible for various activities, how the strategy should be carried out, where things will happen and when the action will take place. The relationship between marketing strategy and implementation is a close connection. In a word, the plan cannot be successful if the company does not have abilities to correctly carry out marketing strategies into practices even though the marketing strategies are perfect.



The objective of marketing implementation is to turn marketing plan succeeds in real life. In order to achieve this objective, it may require gaining the support of key decision-makers in the company for the proposed plan, gaining the required resources to be able to implement the plan, gaining the commitment of individuals and departments in the company who are involved in front-line implementation and gaining the cooperation of other departments needed to implement the plan. (Jobber 2010, 775-779.)

Marketing control is the final stage in the marketing planning process which provides a review of how well marketing objectives have been achieved. There are two types of control systems including strategic control and operational control. The strategic control system mainly answers the question “Are we doing the right thing?” It monitors company strengths, weaknesses, opportunities and threats. The operational control system is to monitor the marketing activities so that the activities which the company carried out are effective. Consequently the purpose of control systems is to evaluate the results of the marketing plan and change action if needed so that activities the company implements are able to match objectives. (Jobber 2010, 801-803.)

### 3 PURPOSE, OBJECTIVES AND CONCEPTUAL FRAMEWORK OF THE STUDY

The purpose of this thesis is to create a marketing plan and then it can be carried out in my future career. In Tianjin, my hometown, the digital printing industry has developed a lot recently. However, the majority of small size of printing companies may not design reasonable and executable marketing plans to achieve their objectives. Hence, this study can help the new printing company attract customers' attention, keep a sufficient profitability and get a stable growth in the target market.

The objectives of the study are:

- To learn the theory of the marketing planning process
- To make a conceptual framework demonstrating the marketing planning process
- To analyze macro environment of the digital printing market in China
- To provide a suggested marketing plan for Jingcai digital printing studio

Linking theory with practice, an empirical marketing plan will be created that assists the start-up printing studio to have a foothold in the target market in the early stage, obtain considerable revenue and a pleasant image in the long term.

The conceptual framework is based on the theory of the marketing planning process. The process starts by defining a business mission and analyzing external market situation. When analyzing the external market environment, customers' demand and competitors are needed to understand. Meanwhile, PEST and SWOT analysis are used to assess market potential. After analyzing the external environment, the marketing objectives and the marketing strategy will be defined. The marketing strategy covers market segmentation, targeting and positioning. The subsequent step is to make marketing mix decisions. The marketing mix includes product, price, place, promotion, people, physical evidence and process. So 7P's are going to be explained one by one. After that the revenue and spending of marketing actions are estimated. The final step is implementation and control. The success of the plan depends on the effective implementation and controlling.

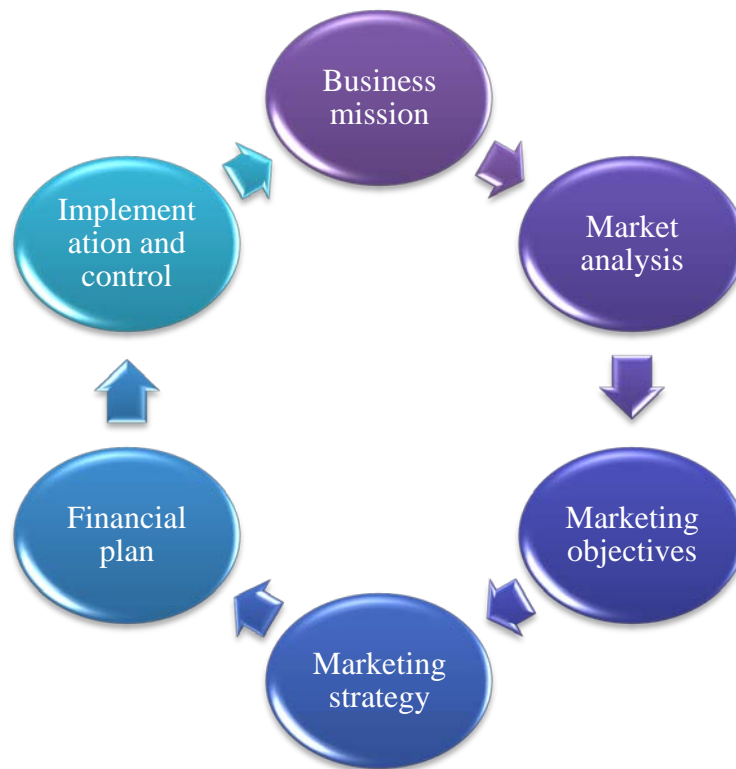


Figure 8. Conceptual framework of the study. The marketing planning process (Jobber & Fahy 2009. 316).

## 4 RESEARCH METHODS

Marketing research supports managers to accomplish the marketing plan. It is carried out according to the marketing research process: design, collect, analyze and report information and then assist author to make an effective and actionable marketing plan. First of all, the research objective has to be determined. In this case study, the research objective was to understand the current situation of the digital printing business in Tianjin. (Mullins et al. 2008, 161 & Malhotra 2012, 40-41.)

### 4.1 Qualitative research

Malhotra (2012, 73) defines qualitative research as an unstructured, exploratory research methodology based on small samples intended to provide insight and understanding of the problem setting. In order to understand and explain what is happening in the marketplace, qualitative research uses description by words and pictures whereas quantitative research uses measurement and number. Nowadays, most of qualitative research involves face-to-face interviewing, either with individuals or groups of respondents. Data collection can also be conducted by the telephone or an interview on the Internet. Briefly, qualitative research is based on small, non-representative samples and the data are analyzed in a non-statistical way. (Mullins et al. 2008, 163 & Wright & Crimp 2000, 374.)

Linking to this case study, the author decided to use qualitative research to accomplish the research objective. The purposes were to acquire a precise description of the market situation of Tianjin and gain profound knowledge on it.

### 4.2 Data collection

There were two data collection sources: primary data and secondary data. Primary data are data collected from individual research subjects through observation, survey, interviews and so on. However, secondary data are existing data which were col-

lected from Internet, magazines, newspaper, companies' websites and so on. It is an economical and quick source of background information.

Secondary data played an important role in this case study. On the one hand, the theoretical data were collected from a lot of sources. Books, journals, Internet articles that related to the chosen topic were selected and read to provide the author with an idea of the marketing plan. On the other hand, secondary data were used to understand the market situation of printing industry in China and Tianjin because the external environment of the market will affect the marketing decision.

In order to have a comprehensive understanding of the market situation of Tianjin, primary data also was utilized in this case. Semi-structured interview was chosen to collect primary data for the thesis. Interview can help researchers gather valid and reliable data that are relevant to certain research questions and objectives. Semi-structured interview is non-standardized which means that the researcher may list some specific questions for the interview and the order of questions may be vary depending on the flow of the conversation. Moreover, additional questions may be required to explore research problem and objectives within the conversation. (Saunders, Lewis & Thornhill 2003, 245-247.)

Author had worked in a copy shop before she came to Finland. Moreover, she did her second internship in a Chinese printing company in Tianjin as a sales assistant. Therefore, she had collected some relative data for her thesis as well. In brief, her previous working experience supported her to understand the target market situation and assist in accomplishing the thesis.

The semi-structured interview was done with a person who had operated a small printing company in Tianjin for 13 years. The questions were designed and had been agreed by the supervisor before the interview. After that, face-to-face interview was carried out through online video in April. The questions were open-ended. This enabled the respondent enough space to answer the questions in their own way, it also assisted the author to gain more detailed information related to the research objectives. The interview questions can be seen in the Appendix 1.

### 4.3 Reliability and validity

Assessment of the data is needed. The data collected should be reliable, valid and trustworthy. Reliability refers to whether the findings hold true for all people. Validity refers to whether the findings are really about what they appear to be about. The result will be valid if the collected data are able to meet research objectives. (Saunders, Lewis & Thornhill 2003, 101 & Wright & Crimp 2000, 381.)

In fact, secondary data were largely used in this case study. Secondary data that are published officially are usually reliable. However, for secondary data collected from the Internet may be difficult to assess the reliability of the source. Consequently, researchers should look for a copyright statement and the existence of published documents relating to the data to help validation. (Saunders, Lewis & Thornhill 2003, 101 & 205-206.)

In addition, there are two factors which may limit validity of primary data. First of all, the answers may not represent totally their thoughts. The respondent might be representing only one aspect of his views or he might emphasize on one dimension of his thoughts due to his understanding of the particular research context. Another factor which can affect validity is interviewer's capacity to remember event. Interviewer may not remember clearly what the respondent said in the past conversation over time. Therefore, the vagaries of interviewer's memory may affect the validity of the data when he/she recalls a specific content. (Oliver 2010, 74.)

Related to this case, face-to-face interview was conducted by online video. During the interview, the author was able to ascertain the reliability and validity of the secondary data which was collected regarding the market situation of Tianjin. More detailed information concerning the marketing mix issues of the target market was obtained. Notes were made during the interview in order to loss of important information after the interview and affect the results in the end. Additionally, because of previous working experience, the author was able to explain the questions very well enabling the respondent to have a clear understanding of the questions and comprehensively represent his thoughts.

## 5 MARKETING PLAN FOR JINGCAI DIGITAL PRINTING

### COMPANY IN TIANJIN

#### 5.1 Business mission

Tianjin Jingcai digital printing studio will be a small-sized company that provides various printing products and printing services to organizations and individual customers. As a start-up digital printing company, the aim is to offer customers tailor made printing products with high quality within the shortest time so as to satisfy customers' needs.

The aspirations of the studio are to bring the greatest value to customers and be their best partner in a long term. At the same time, the studio will be an environmental-friendly enterprise that reduces waste generated by operation.

The mission of Jingcai digital printing studio can be described as: to provide high quality and unique printing products to customers, assist customers to achieve their objectives.

#### 5.2 Market analysis

##### 5.2.1 Customers' demand analysis

Generally speaking, customers maybe from an industrial company and a product catalogue is needed so as to deliver product information to its customers. Retail stores also would be customers for printing company as they may need posters in the stores to inform their customers on what they sell at the moment. In the meantime, printing products are also needed by government and other institutions as well. They may need outdoor posters to communicate information to the public. To some extent, printing products are needed everywhere and the market demand is large.

However, the market situation has changed. In the past, printing companies encouraged customers to place large orders because the larger order customer placed, the cheaper unit price printing companies offered. Therefore, customers placed larger orders than they planned if they thought it was acceptable for their operations. But customers faced problems as all products they ordered might not be completely used or the old printing products were not fit for their new products.

Nowadays, the demand cannot be determined by companies but by customers. Customer makes an order according to their business needs. In order to meet customers' needs, the digital printing technology was developed. It provided a new market opportunity to the printing companies. As a result, digital printing technology enabled customers to place an order without limitation of quantity. Moreover, printing companies also could get benefit from it through cost reduction and high efficiency.

Digital printing began lately in China and market share was 5% of total printing business in the beginning. Furthermore, digital printing business started in 2003 in Tianjin and the market has not been developed well until now. Nowadays, there are at least 400 different sized traditional printing companies in Tianjin and they still maintain a leading position in the printing market. However, it shows from statistics that the market potential of digital printing businesses is huge in Tianjin. The market share of digital printing business will increase to 32% in 2015. Meanwhile, the market share of traditional printing business will decline to 30%. Nonetheless, technologies of digital printing will not replace traditional printing technologies at the moment. On the contrary, the relationship between traditional printing and digital printing is complementary. Nevertheless it is indisputable that digital printing will be a crucial development direction of the printing industry in the future.

### 5.2.2 Competitors analysis

Nowadays, there are approximately 40 digital printing companies in Tianjin market. Among these companies, 3 digital printing companies are the most renowned which have been operating for at least 8 years. These include Haocai Digital Printing Co., Ltd, Fanzik Digital Printing Co., Ltd and Zhengyin Xianfeng Digital Printing Co.,



Ltd. However, as a newly established digital printing studio, it is not able to compete with these companies. Instead, it intends to compete with copy stores such as Huangying Printing and Dingyi Printing.

Huangying Printing has been operating for 15 years and is located in Nankai district. It does not have modern printing machines and a professional designer which means it is only capable of designing basic products and most of printing products are designed and produced by its partners such as small and medium-sized printing companies. This is the reason that the prices of products are a bit higher than the average price in the whole market. But it is still accepted by customers. The main reason is a good long-term reputation. The workers in the store are patient and friendly. On the other hand, the store can achieve what it promised to customers such as delivering products on time and quality guarantee. Therefore it has some regular customers such as few public companies which are located in the same area and keep a good relationship with them.

In contrast, Dingyi Printing has been operating for 10 years. Dingyi is good at designing. The manager has long-term working experience on design and was a designer for an advertising company. Nevertheless, Dingyi Printing has the same weakness as Huangying Printing. They do not have modern printing machines in the store. All products are designed by the manager and then sent them to its partners to print. In addition, prices are even higher than Huangying's.

Though these two copy stores have no modern printing machines in the stores, they still make profit. The important reasons are that their long term operation periods and good reputation. When some organizational and individual customers who work and live near the stores have needs on printing products, brand names of their stores could be the first one that comes to their minds. In fact, there are some copy stores which have the similar situation in Tianjin. They do not have modern machines and professional skills of design. They look like the agencies of printing companies. Although they have regular customers, they cannot obtain high profit and strong competitiveness unless they expand their business scale.

### 5.2.3 PEST analysis

#### **Political forces**

Tianjin is one of 4 municipalities in China and the largest coastal city in northern China. The government of Tianjin provides a huge support to private and public enterprises. In 2009, the government established a new policy that the government encouraged and supported young people who graduated from colleges and universities to start up business. It eliminated enterprise registration expenses and the start-up companies do not need to pay tax in the first year. Secondly, they could take a loan from the banks and the amount of loan can reach 70000 RMB. There are beneficial elements for starting up a digital printing studio in Tianjin.

Furthermore, in order to promote development of the service industry, the government decided to improve the existing import policy in 2012, which provided more convenient channels to import advanced printing machines and components from other countries to better satisfy customers' requirements. For digital printing companies, the outcomes are to improve productivity and efficiency as well as to strengthen competitiveness in the marketplace.

Additionally, environmental protection is a serious task all over the world. A concept of "Green Printing" was advocated in 2011 in China. All printing companies were asked to bring the concept of "Green printing" into their operations. Green printing is a printing way that has a minimal impact on the environment. The purposes are to protect the ecological environment, promote sustainable development of China's economy and eliminate harms generated due to the environmental problem of the printing process.

Implementation of green printing begins with choosing printing machines, selection of raw materials and adjustment of the production process. Green printing environmental protection system will be established basically in 2015. By that time, green printing companies could account for 30% of the total number of printing enterprises in China. Furthermore, a number of out-dated printing technologies will be abandoned and speed up the progress of the printing industry.

Comparing with digital printing business, traditional printing business generates a lot of pollution because offset printing ink is an important raw-material that is used in traditional printing business. As a result, it may decrease air quality even affects workers' health due to the strong chemical smell. Traditional printing also generates noise pollution. Therefore, traditional printing companies are not allowed to operate in the urban area. In contrast, digital printing uses inkjet printing techniques that decrease air pollution. Meanwhile, it does not generate noise pollution as well. Briefly, digital printing technology corresponds with green printing strategy.

### **Economic forces**

Because of superior geographic environment, Tianjin is an international port city as well as the economic centre of northern China. The establishment of Tianjin Economic and Technological Development Area (TEDA) boosted economic development of Tianjin and attracted more foreign investments. Currently there are more than 3300 overseas companies in TEDA.

GDP of Tianjin was 1289 trillion RMB in 2012, which increased by 13.8% comparing with the figure of 2011. Tianjin was rated the sixth city which has the potential economic development capacity in 2012 after Beijing, Shanghai, Guangzhou, Shenzhen and HongKong. The residents' incomes is rising steadily each year, which increases consumption level of the residents and promotes and pulls domestic demands.

Regarding printing industry in Tianjin, sales incomes achieved 4000 million RMB in 2012, increased by 4.79% comparing with the figure of 2011 and the profit reached 400 million RMB in 2012. (Website of Askci 2013). According to statistics of 2011, there were 160,000 small and medium-sized enterprises (SME) in Tianjin. 160,000 SMEs means a lot to the printing business because most of them are customers or will be potential customers of digital printing business.

### **Social forces**

As the third largest city in China, the total area is approximately 11946 square kilometres and the resident of the population is approximately 14 million people. As mentioned in economic forces, a great number of SMEs do their business in Tianjin

and 2551 SMEs are located in Nankai District of Tianjin, which indicates a large amount of potential demand of printing products.

Nowadays, printing products are still popular tools to broadcast information of new products or services. However, the requirements of printing products have changed. Customers are eager for diversified printing products. For example, calendar with special style can be printed for an organizational customer so that the organization is able to send their unique calendar to its customers in the beginning of the year. Pictures of some excellent employees and achievements of the company are able to be shown in a tailor-made calendar so as to help the organization improve and advertise its brand image.

In addition, buying behaviour varies as well. In the past, organizational customers preferred to print tens of thousands or even hundreds of thousands of brochures in order to save costs. However, customer may encounter a problem that a brochure cannot be corrected or used when information is updated. From a cost saving point of view, it is a great waste because an updated brochure is needed and the rest of old brochures must be discarded. At present, the majority of companies noted shortcomings and then gave up the traditional ways. Instead they make orders depending on how much they need at the moment.

### **Technological forces**

As mentioned in the beginning of the thesis, printing industry has three main steps. Plate making is done in the process of pre-press. It takes a long time to prepare and produce CTP plate for printing products. However, with the rapid development of digital technology and network technology, the process of CTP plate making can be left out and speed up the whole processes.

There are three core features of the digital printing: Short, Fast and Change. “Short” means short-run printing. Digital printing business better meets customers’ needs and print-on-demand. Hence, advanced digital technologies are able to avoid the waste and better correspond with “Green Printing” strategy as well. “Fast” means that products can be produced in a short time. “Change” stands for the variable data. Printing companies are able to provide customized printing products to customers.

These three core features are the outcomes of development of the technology and the Internet. Particularly, they cannot be reached and achieved by traditional printing technologies at present.

#### 5.2.4 SWOT analysis

##### **Strengths**

- The studio will be located in the superior geographic location.
- The studio will have a colour digital press, a black and white digital press, a plotter printing machine and a laminator to satisfy the routine requirements of customers.
- In addition to beneficial location and the modern machines, the designer has creative ideas and professional skills that are familiar with professional graphic design software such as Illustrator, Photoshop, CorelDraw and so on.
- High services standard. The customers will be served well. The studio also provides free delivery services so that customers who place a large order do not have to pick up the products by themselves.

##### **Weaknesses**

- Lack of practical management experience.
- Shortage of sufficient resources. Due to insufficient capital investment in the initial stage of development, it limits the size of the studio, the number of the printing machines and employees.
- A new brand in the target market. There are some copy shops in the target marketplace. As a start-up printing studio, it may take a while to attract customers' attention.

## Opportunities

- Because of the superior geographic location, there are approximately 200 potential organizational customers including SMEs and hospitals, government, schools, banks and other public organizations.
- Rapid growth of the printing business in Tianjin. In the recent years, digital printing business has steadily developed in Tianjin and the demand in the market is expanding.
- No strong competitors in the target market. A few copy shops in the target marketplace are competitors of Jingcai digital printing studio.
- Advanced technologies bring the greater efficiency. Nowadays, the output speed of the digital printing press can reach 160 copies per minute.

## Threat

- Chain digital printing companies may subsequently enter the target marketplace such as Haocai Digital Printing Co., Ltd. It has strong competitiveness and brand effect in Tianjin.

SWOT analysis presents a clear picture of the studio. The studio should find out a solution to avoid or reduce the possible risk from the external threat and the internal weaknesses. In author's opinion, looking for a partner would be a solution for the studio in the early stage of development.

Jiali printing could be the best partner. It is a traditional printing company in Tianjin and has been operating for more than 10 years. Nowadays, the company has approximately 23 employees. The company has a four-color printing machine and 3 small size printing machines in its factory. In addition, there are other equipments that are used for pre-press process and post-press process. They have regular customers from public companies, hotels, restaurants, schools and so on.

There are two main reasons that led the studio to choose Jiali printing as its partner. First of all, author took her second internship in the company and got a good impression from the company. Hence, she still keeps in touch with the company. The most

important thing is that she knows its routine operation. The company usually needs to print samples of products so that they can show it to their customers. But the company does not have a digital printing machine so samples are printed by the additional digital printing companies such as Zhengyin Xianfeng who are introduced in the competitor analysis. However, it is not convenient for Jiali printing because Zhengyin Xianfeng is not close to it and Jiali printing needs to pick up the samples by themselves. On the contrary, the studio is close to Jiali printing and it only takes 10 minutes by car. Furthermore, it does not need to pick up the samples by themselves because the studio provides delivery services. Consequently, it is beneficial for Jiali printing company to cooperate with the studio.

Secondly, the studio does not have the ability to purchase big-size printing machine due to its financial situation in the beginning which results in a limitation of production capacity. But the studio may receive some orders that need to be printed by the four-color printing machine. Therefore, orders can be printed by the partner if the studio cooperates with Jiali printing. By cooperating with it, the studio can better satisfy customers' needs and enhance its competitiveness in the target market.

In short, it will be a win-win situation if the studio can collaborate with Jiali printing. Both parties are able to gain advantages. For Jingcai digital printing studio, it is crucial and advantageous to reduce the threat from strong competitors in the whole market, improve its production capacity and lessen its weaknesses. At the same time, it must be a convenient channel for Jiali printing to print samples for its customers. In addition, Jiali printing also receives small orders and the orders that are produced by traditional printing machines must result in low profit. However, the studio can print for it and help Jiali printing remain profitable.

### 5.3 Marketing objectives

Because Jingcai digital printing studio is a new company in the target market, the main objectives are to gain customers' attention and obtain a small amount of profit in the early stage of development. Based on the results of macro-environment and SWOT analysis, a SMART objective for Jingcai digital printing studio is defined as:

by providing good quality products and excellent customers' services, the studio is able to gain 100% of customers' attention, then builds a relationship with 15% of the customers who are located in the target market and the sales revenues reach 20000 RMB at the end of the first year.

## 5.4 Marketing strategy

### 5.4.1 Segmentation

The market is segmented based on organizational size and geographic location. As a start-up and small-sized printing studio, the main objective is to get customers' attention in the initial stage. Therefore, Jingcai digital printing studio chooses small and medium-sized companies which are located in Huanghe road, Nankai district as the target group.

On the one hand, there are more SMEs than large-sized companies in certain location. For large-sized companies, they must have few partners who provide printing products and services to them and still keep a good relationship with these printing companies. Therefore, it must be hard for a new company to convince large-sized companies to choose the studio's services. In contrast, small and medium sized companies may not have certain services providers who offer printing products to them. Even they usually are ignored by some large-sized printing companies. Moreover, it generally involves a low hierarchy within their organizations which means the studio might be noticed by employees who work in the target group and they will give suggestions for making-decisions when the company has needs on printing products.

On the other hand, as mentioned in the SWOT analysis, there are no strong competitors in the chosen location until now. There are only less than or equal to 5 copy shops in the chosen location. The majority of copy shops cannot compete with the studio except Huangying printing. It will be the main competitor in the beginning because it has been operating for 15 years and had a good reputation in the target groups' minds. However, the studio has more professional skills than Huangying printing. And it will cooperate with Jiali printing that is a traditional printing com-



pany, which helps the studio improve its capacity and competitiveness. Copy shops will not be competitors after the studio operates 1 or 2 years. In brief, it will be the best choice that chooses SMEs as the target group in the beginning.

#### 5.4.2 Target marketing

The studio will mainly focus on the common needs of the target group. For example, the studio can design and print business cards for its customers. In fact, business cards are one product needed for all kinds of companies because it helps them build connection with their customers. In addition, the target group is some small and medium sized companies, so their expectations are to gain good quality printing products with a lower price in a short time. According to their common needs, Jingcai digital studio will choose an undifferentiated marketing strategy and create a marketing mix to serve the segment market in order to satisfy their needs. At the same time, the studio will be able to build a good reputation and then gain profit.

#### 5.4.3 Positioning

Based on interview's result and author's working experience, the majority of customers are mainly focused on price and quality. The positioning strategy of Jingcai digital printing studio is a combination of price positioning, quality positioning and service positioning. The comparatively lower price products with high-quality will be provided to customers because the price of products that the surrounding copy shops are set are a little bit higher than average prices of the whole market. Therefore, relatively lower price products assist the studio to attract customers' attention in the beginning.

In author's opinion, the combinative positioning strategy can be realistic and achievable in real life. Nevertheless, the studio will keep balance among them. Providing high-quality products is the foundation and then the price will be set according to the average price of the entire market but the price must be a little bit lower than these copy shops'. In addition, the service positioning indirectly helps the studio enhance its image.

## 5.5 Marketing mix

### 5.5.1 Product

There are many categories of products in the printing business. The ability of providing various products depends on the skills and the size of companies. For example, large-sized companies are able to offer a wide product range to customers and vice versa. As a small-sized, new digital printing studio, it plans to offer general products to customers in the early stage of development according to the decision of the marketing strategy.

On the basis of author's experience and the results of the interview, the general products that customers need are Business cards, Letterheads, Flyers/Posters, Brochures, Catalog & booklets and Vinyl Banners & Signs. They have the same functions for organizational customers, which help them deliver the news of their products or services, improve images of their brands and promote the sales. In addition, the studio also offers the basic services of full color and black and white copies to customers.

Business cards are used in all sorts of business. It is a classic tool to present the image of companies and create a connection with their clients. The studio is able to design business cards based on customers' special needs. Letterheads are the other product that the studio is capable of designing and producing. The studio can provide two sizes of the letterheads and content varies based on customers' needs.

Flyers/Posters, brochures and catalog & booklets are also popular marketing materials for organizational customers. Flyers/Posters can be used to introduce new products. Additionally, brochures and catalog & booklets are useful as well. For instance, the studio prints brochures or catalog for a company that is going to join in a trade fair or exhibition. The history of the company and a brief introduction of its products is shown in the brochures or catalog. Customers determine the style of products such as the brochure folding options and the size of it, but the studio also provides professional suggestions to them so that products can better reach or exceed their expectation.

Vinyl banners & Signs are water-resistant products and for both indoor and outdoor use. It is available in standard or custom sizes. The studio also provides additional service of installation if needed.

All of the products are available in several colors from one color to full colors. What customers need to do is to provide the relative materials such as the text, companies' logos or pictures and so on. After that the studio will design and produce the products according to the requirements of customers. The studio cannot produce products until receiving confirmations from customers in order to ensure the finished products are what customers really want.



**Business card**

Sources (Website of Tooft)



**Brochure**

(Website of Boxeshot 3D)



**Booklet**

Sources (Website of Picador desig)



**Vinyl banner**

(Website of Banner)



**Letterhead**

Sources (Website of Logo design)



**Poster**

(Website of Ourtuts)

Picture 1. Products

### 5.5.2 Price

Prices of Vinyl Banners & Signs depend on size of product and types of raw materials. In addition to Vinyl Banners & Signs, the prices are set for the rest of products according to size of product, weight of paper and the number of colors and products. Generally, there are no certain requirements on the quantities. In this case, the prices are set based on a consideration of general quantity demand in Tianjin.

For Flyers/Posters, Brochures, Catalog & Booklets, the general quantities of these products is more than or equal to 500 of each order. The number of letterheads could reach 1000 pieces an order. Nevertheless, if the quantity of an order is less than 500 or 1000, the prices are a bit higher than the prices of 500 products. And the final price still can be discussed by negotiating with the salesperson. For Business cards, the minimum quantity must be 1 box and there are 100 pieces of business cards within 1 box.

The studio takes into consideration prices of competitors and average prices of the entire market in Tianjin. Prices of a few competitors are higher than the studio's because the general products are produced by other printing companies. Therefore, the prices of the products the studio set at the average level and is lower than competitors'.

The following tables are the price lists:

A) Business Cards (Weight: 285g) (Currency: RMB)

<b>Quantities</b>	<b>Single side</b>	<b>Double sides</b>
<b>1box</b>	20.00/per	25.00/per
<b>5 boxes</b>	15.00/per	20.00/per
<b>10 boxes</b>	10.00/per	15.00/per
<b>20 boxes</b>	8.00/per	10.00/per
<b>50 boxes</b>	7.00/per	9.00/per

Table 1. The prices of business cards

## B) Letterheads (Weight: 80g) (Currency: RMB)

Size	color(s)	1000 pieces	2000 pieces	3000 pieces	5000 pieces	10000 pieces
<b>14.5*21cm</b> <b>(A5)</b>	1	150.00	180.00	250.00	350.00	460.00
	2	220.00	250.00	300.00	400.00	500.00
	3	330.00	360.00	380.00	460.00	560.00
	4	450.00	480.00	550.00	600.00	700.00
<b>21*29.5cm</b> <b>(A4)</b>	1	200.00	300.00	400.00	480.00	800.00
	2	280.00	350.00	450.00	650.00	1000.00
	3	360.00	450.00	550.00	750.00	1200.00
	4	500.00	550.00	600.00	850.00	1300.00

Table 2. The prices of letterheads

## C) Flyers/Posters, Brochures

## C1 (Weight: 157g) (Currency: RMB)

Size	500 pieces	1000 pieces	2000 pieces	3000 pieces	5000 pieces	Size of finished product
<b>A4</b> <b>Single side</b>	180.00	200.00	300.00	400.00	450.00	210*285mm
<b>A4</b> <b>Double sides</b>	220.00	250.00	350.00	450.00	600.00	210*285mm

## C2 (Weight: 200g) (Currency: RMB)

Size	500 pieces	1000 pieces	2000 pieces	3000 pieces	5000 pieces	Size of finished product
<b>A4</b> <b>Single side</b>	350.00	400.00	550.00	650.00	850.00	210*285mm
<b>A4</b> <b>Double sides</b>	400.00	500.00	650.00	750.00	950.00	210*285mm

## C3 (Weight: 157g) (Currency: RMB)

Size	500 pieces	1000 pieces	2000 pieces	3000 pieces	5000 pieces	Size of finished product
<b>4K</b> <b>Single side</b>	900	1100	1700	2000	2700	420*570mm
<b>2K</b> <b>Single side</b>	1500	1900	2700	3500	4800	840*570mm

Table 3. The prices of flyers/posters and brochures

## D) Catalog &amp; booklets (Weight: 157g) (Currency: RMB)

<b>Quantities</b>	<b>500</b>	<b>1000</b>	<b>2000</b>
<b>8 pages</b>	2.50/per	1.50/per	1.00/per
<b>12 pages</b>	3.50/per	2.00/per	1.50/per
<b>16 pages</b>	4.50/per	3.00/per	2.00/per
<b>20 pages</b>	5.00/per	3.50/per	2.50/per
<b>24 pages</b>	6.00/per	4.00/per	3.00/per
<b>28 pages</b>	7.00/per	4.50/per	3.50/per
<b>32 pages</b>	8.00/per	6.00/per	4.00/per

Table 4. The prices of catalog &amp; booklets

## E) Vinyl Banners &amp; Signs (Currency: RMB)

<b>Size</b>	<b>Prices</b>
<b>Width:&lt;1200mm</b>	50.00/m <sup>2</sup>
<b>Width:&gt;1200mm</b>	70.00/m <sup>2</sup>

Table 5. The prices of vinyl banners &amp; signs

## F) Full color and black and white copies

## F1-Full color copies (Currency: RMB)

<b>Weight of paper</b>	<b>Prices</b>	
	A4/page	A3/page
<b>80g copy paper</b>	2.50	4.50
<b>157g coated art printing paper</b>	3.50	5.50

## F2-Black and white copies (Currency: RMB)

<b>Weight of paper</b>	<b>Prices</b>	
	A4/page	A3/page
<b>70g-80g copy paper</b>	0.40	0.80
<b>157g coated art printing paper</b>	1.50	2.50

Table 6. The prices of full color and black and white copies

## 5.5.3 Promotion

**Advertising**

Compared to other traditional advertising media, poster advertising is more suitable for the studio. In the target market, there are 2 office blocks and the majority of custom-

ers in the target group from these 2 office blocks. In author's opinion, a poster advertisement of the studio can be posted in the elevators of the office blocks. The reason the studio chooses this way is that it is cheaper than other traditional advertising media, such as newspaper or television. On the other hand, there are companies in an office block which mean a great number of people work in the office block and everyone takes the elevator at least twice a day. Therefore, a poster advertisement must be seen by them and easily get customers' attention.

### **Direct marketing and personal selling**

The studio plans to use direct marketing and personal selling as well. Salesperson at the studio will be the author in the early stage of development. She will visit companies and make a brief introduction about the studio. However, business cards and flyers are indispensable visible promotional materials to support these visits. Hence, salesperson leaves business cards and flyers to customers while visiting customers so that the studio may be the first one that comes to their minds when they have needs.

The salesperson will also get specific contact information from potential customers such as e-mail addresses and telephone number in exchange. The studio can create a customers' database with specific contact information so as to contact the customers easily in the future. Additionally, the salesperson is able to leave a good impression to the target customers and to predict future behavior of customers through face-to-face conversion.

### **Sales promotion, directing marketing and personal selling**

It is an off season for printing business in the summer. In order to promote sales, the studio offers a short-term incentive by a discount offer in the summer. First of all, the studio will design an electronic flyer with discount information and then send it to the existing customers and potential customers by e-mail. At the end of the e-mails, a phone conversion is suggested. On the one hand, the studio is able to ensure they have received the new offer. On the other hand, the salesperson can answer some questions, indirectly help customers to determine whether the studio can provide them what they are looking for and then make buying decisions. In short, sending an



electronic flyer with discount information provides the studio opportunities to push sales and express its expectation that cooperates with them.

In order to keep long-term relationship with the existing customers, the salesperson visit customers again at the end of the year in order to get feedback about products and services that the studio provided during the year. Based on the feedback obtained from customers, the studio can keep on improving its products and services. Meanwhile, the studio offers them gifts to express gratitude and expect to cooperate with them next year.

### **Internet marketing**

Nowadays the Internet provides companies with a broader platform to execute their business and marketing activities. For consumers, the Internet offers a more convenient way to search and collect what they want. In China, SinaWeibo, Renren and QQ are the most popular social network platforms at the moment. For example, SinaWeibo is similar to Twitter. It is free to register and add individuals or companies that you are interested as your “friends”. Until 2012, 130565 companies have registered on SinaWeibo. 143 of them are from Fortune 500 enterprises worldwide and 207 of them are in the top 500 enterprises in China. At the same time, there are also 500 million individuals that are using SinaWeibo. By the statistic, on average, each individual pays attention on four enterprises on SinaWeibo. Additionally, Renren and QQ have similar functions as SinaWeibo. (Website of Sina 2012.)

Therefore, the studio will open an account in each social network platform. The studio will post, share, forward news and update them continually. Moreover, if you have some questions related to digital printing, you can send messages to the studio by SinaWeibo, Renren or QQ and the studio will answer the questions promptly. By using these social network platforms, the studio can increase customers’ attention and build brand image.

Furthermore, the studio will post its service information to 58TongCheng that is the biggest Chinese website of providing classified information. In the website of 58TongCheng, people can freely publish and search information. For instance, you

can look for job information from the website of 58TongCheng. In the meanwhile, recruitment information can be published on it. Hence, consumers can look for a printing company from 58TongCheng, the contact information of Jingcai digital printing studio will be found and they can contact the studio by phone or online communication tools (QQ, e-mail, etc).

#### 5.5.4 Place

Products and services are provided through the physical location to customers. The studio will be located in Huanghe Road of Nankai district. There are office blocks, Government of Nankai district, restaurants, banks and hospital. Owing to the limited capital in the start-up stage, the size of the studio will be around 40 square meters. The location of the studio is close to the target group and it may take 5-10 minutes by walk. It is convenient for customers to come to the studio and communicate with salespersons and designer. Additionally, because of the superior geographical location, the studio can be seen by people who pass by this road, which is beneficial for the studio to advertise its brand and expand its target group in the future.

#### 5.5.5 People

Employees play a crucial role in the studio. Their performance directly affects the quality of the products and services and the image of the studio. As mentioned earlier Jingcai digital printing studio will be author's upcoming company, she will be the salesperson and manager. The studio also needs to recruit 2 more employees in the beginning including one designer and one worker who will be in charge of production. In the meanwhile, author is capable of offering help to designer and worker in the busy time. But the studio will recruit more workers when it gets better and better.

Recruiting appropriate staffs is a significant step in the start-up company. The studio will recruit a young designer who may graduate from the university and needs a place to gain working experience. From the studio's point of view, young designer not only has professional skills also more innovative ideas. On the other hand, she/he does not have a high requirement on salary because it is more important to acquire

experience than to get high salary. For blue-collar worker, he needs at least 2 years working experience of the same job so that the studio does not take a long period to train him.

#### 5.5.6 Physical evidence

As mentioned in the theoretical chapter, physical evidence is a tool to estimate products and services quality before customers make decisions. First of all, products are physical evidence so the studio must guarantee the quality of the products. Secondly, the decoration of the studio also is one of physical evidences. The color of the wall will be light yellow that will enable customers to feel comfortable when they come to the studio. On the other hand, the color indicates that all employees have high passion for their work.

Thirdly, there is a price list of the products and services on the wall which provides convenience for customers to understand prices of products. Furthermore, some samples of printing products are shown on the shelf and customers can freely take it as a reference.

In the studio, there is a message board hanging on the wall which comments and suggestions gained from customers can be seen by everyone. On the one hand, it is easy for customers to get some information about the services of the studio. On the other hand, it is useful for the studio to improve its services constantly because the studio does not expect to gain bad comments from customers, which will result in a bad image in customers' minds.

All employees wear uniform with a logo of the studio during working time so as to be differentiated from other printing companies or copy shops and indirectly affect customers buying decisions. Besides these above physical evidences, the studio provides a private space to conveniently communicate between customers and salesperson.

### 5.5.7 Process

It is one of important process that customers have to confirm the drafts of products before printing. In consequence, the electronic version of the drafts will be sent by QQ (online communication tool in China) or E-mail once the drafts have been done. After that, the designer may modify the draft again if customers are not satisfied with them and then send the customer the new versions again until getting customer's confirmation. Therefore, by the Internet tools, customers do not have to come to the studio to check the drafts, which will save time and customers can get the goods as soon as possible. However, the studio also can print a sample and deliver it to customers if customers ask. In addition, materials needed for designing products can be sent to the studio by QQ as well.

The studio can print immediately if customers come to the studio to print a small number of products or color or black and white copies. Therefore, during the waiting time, the salesperson will provide coffee or tea to customers as well as some magazines or newspaper. Additionally, there is a computer for customers so that they can play games or watch short movies during the waiting time.

Delivery service is offered as well in the studio. The customers do not need to take the products by themselves. The studio can deliver the products without any charge. In short, the studio hopes to provide customers more than they expected in order to enlarge the customer base by the word of mouth.

## 5.6 Marketing calendar

The marketing calendar is a tool that helps company to easily track its marketing and advertising efforts so that it will have a clear picture of what it has already done and what it has planned for the future. (Egelhoff2008, 163).

The following marketing calendar describes the schedule of marketing activities that the studio will carry out in the first year. It is divided in 4 quarters and different pro-

motional activities are demonstrated in each quarter. Creating a marketing calendar helps the salesperson have a clear picture of tasks in the different stages.

	1st quarter			2nd quarter			3rd quarter			4th quarter		
	January	February	March	April	May	June	July	August	September	October	November	December
Objectives	Awareness creation			Enlarging the customer base			Boosting sales			Improving customer retention		
Events	1			5			6			8		
		2					7					
			3									
		4										
		9										

Table 7. Marketing calendar

1st quarter	1		Creating an account of Weibo, Renren& QQ and subsequently post basic information of the studio
			Registering an account in the website of 58TongCheng and then publish the contact information on it
	2		Publishing a poster advertisement in the elevator of an office block
	3		Posting the same poster advertisement in the elevator of another office block
	4		First visit all potential customers and delivery flyers and business cards to them
2nd quarter	5		Visiting the potential customers again
3rd quarter	6		Sending a flyer with discount-off by E-mail (sales promotion)
	7		Contacting the existing customers and the potential customers by phone
4th quarter	8		Salesperson visits the existing customers and gives key customers gifts to express gratitude
Full year	9		Updating information on Weibo, Renren & QQ such as share knowledge of printing industry, post new services and promotional activities, etc.

## 5.7 Financial plan

By estimating the sales and calculating the total sales revenues, it is found that the half of the total sales revenues in the first year is mainly from the services of full color and black and white copies. The rest of them are from other printing products. The estimated sales revenues can be seen from the following the table. The detailed sales report of each product can be found from the Appendix 2.

	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter
<b>Total sales revenue/month</b>	12495.00	13875.00	20330.00	21035.00

Table 8. Estimated total sales revenue per month. (Currency: RMB)

Expenses of marketing activities are mainly from the cost of a poster advertisement, the production costs of flyers, the telephone costs and the salary of the salesperson. In the first quarter, a poster advertisement will be used in two office blocks. As shown in the marketing calendar, a poster will be advertised in the elevator of one of the office blocks in February and then the same poster advertisement will be published in another office block in March. The cost of a poster advertisement is 420.00 RMB for a month.

In the first and second quarter, the activities of the personal selling will be carried out at the same time. The studio also needs at least 150 flyers and 1 box of business cards in one month in order to support the visiting activities. The costs of 150 flyers and 1 box of business cards are 60.00 RMB and 8.00 RMB respectively for a month. The salary of the salesperson is 2000.00 RMB per month.

From the 3<sup>rd</sup> quarter, the telephone is a main tool to contact customers. In fact, the precise price per minute of a call is difficult to determine because the price varies between different operators. Usually the price is 0.30 RMB/min. The purposes of the calls are to make sure the customers have received electronic flyers with a discount-off and push customers to make buying decisions so as to help the studio increase sales in an off season. Call duration is about 5 minutes. If customers are really interested in the new offer, they can come to the studio to explain their needs or the sales-

person can make an appointment with the customers to discuss in detail face-to-face. Thus, the cost of a call is 1.50 RMB for one customer. There are at least 200 organizational customers and total cost of calls is 300.00 RMB for one month.

All the marketing activities do not take place at the same time. According to the marketing calendar, it can be seen that what activities are involved in the different stage and subsequently estimate the expenses of these marketing activities. The following table demonstrates the total costs of marketing activities per quarter. The detailed costs report is shown in the Appendix 3.

	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter
<b>Total costs</b>	7044.00	6204.00	7104.00	6000.00

Table 9. The total costs of marketing actions per quarter. (Currency: RMB)

## 5.8 Implementation and control

As mentioned earlier in the thesis, the marketing plan will be implemented in Tianjin, China after author graduates from SAMK. However, two things are to be confirmed before implementing it. First, author will be responsible for monitoring daily operations and carrying out most of marketing activities in the studio. Second, the marketing strategies that are designed in the thesis will be implemented step by step. Nevertheless, in order to correctly carry out the marketing strategies in real life, author should do marketing research again before studio launches in case that the environment of the target market has changed over time. If the environment changed, the plan should be modified.

The success of marketing plan depends on the implementation and control in real life. Generally speaking, it is hard to succeed without teamwork for any business. Due to the size of the studio, everyone may do more than his/her own work. For example, designer will communicate with customer A when the salesperson is not in the studio. Therefore, the studio will organize training for all employees and build a unique services standard so that the performance of the designer is the same as the salesperson did when customer A came to the studio last time.



Furthermore, it is recommended that the studio should have a meeting every morning before starting to work and the aim is to understand what everyone does every day. In addition, studio will also organize weekly meeting to make a summary of what they did. In the meeting, everyone has a right to state his/her suggestions or make a complaint. Once the studio is able to provide employees' rights to solve customer problems and support them in routine work, it enhances employees' motivation and commitment to the studio.

Keeping a good relationship with customers is crucial. The studio will make a short survey with the existing customers twice per year. The survey is mainly focused on the quality of the products and services. It may be carried out by phone or e-mail. The purpose of doing surveys is to assist the studio to make improvements based on the feedback from the customers. Eventually, the studio builds a positive image in customers' minds and is able to keep a long-term relationship with them.

## 6 CONCLUSION

Author determined what she would write for her bachelor's thesis when she was studying in the second year in SAMK. The reason the author would like to write a marketing plan for the digital printing business was that she had working experience related to the printing business before she came to Finland. She hoped that she could create a marketing plan for her prospective printing business by integrating what she learned in SAMK with her previous working experience. In order to achieve this, her second internship was done in a Chinese printing company in Tianjin so that she could further understand the current market situation of the printing business and make a preparation for her thesis.

The project began with a project plan at the end of December 2012. When the author was creating the project plan for her thesis, the supervisor Timo gave her some professional suggestions and helped her have a clear picture on what has to be done in a marketing plan. The main issues were to analyze a market environment by PEST and SWOT analysis and then to create the marketing strategy and the marketing mix. Going through a great number of marketing books and picking out the relevant issues for the thesis was arduous tasks when she was writing the theoretical part. In fact, it took a long time and made efforts on it. The implementation part of the thesis started from the semi-structured interview with a man who had operated a small printing business for 13 years. The interview was carried out by online video. Author collected more useful information than she expected from the interview. In the end, an actual marketing plan was design for Jingcai digital printing studio.

The author is very proudly to say that she fulfilled her objectives and completed the thesis earlier than she planned. In the process of writing the thesis, she obtained a lot of support from her supervisors Timo and Tapio, her opponent, her family and friends. All in all, writing the thesis provided an opportunity to review the most of knowledge she acquired in SAMK. On the other hand, it is a good start for her own forthcoming company.

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## APPENDIX 1

## INTERVIEW QUESTIONS

**1 Market situation**

- 1.1 What are the obvious changes of printing business in Tianjin in the recent years?
- 1.2 What is the market situation of the digital printing industry in Tianjin like at the moment?
- 1.3 As far as you are concerned, how many small-sized digital printing companies in Nankai district of Tianjin?
- 1.4 In Nankai district, what are those small-sized digital printing companies have strong competitiveness?
- 1.5 What category of printing machines do the small-sized printing companies use in Tianjin market?
- 1.6 Generally, what are the strengths, weaknesses, opportunities and threats companies meet in the market?
- 1.7 On the basis of your long-term experience, what are main consumer sources for small-size printing companies? (Individual customers, government, SME or copy shops)

**2 Marketing mix**

## Product

- 2.1 In terms of small-sized companies, usually what kind of products they are capable of offering to customers?
- 2.2 Are you aware of the customers' preferences? If you know, please list their preferences.

## Price

- 2.3 Which pricing strategy do the majority of small-sized companies implement? (Cheap or expensive price?)
- 2.4 What are main products price ranges?

## Place

- 2.5 Where are the locations that the most of small-sized companies prefer to choose? Why?

## Promotion

2.6 In general, what are the promotional tools a great number of small companies are using?

2.7 What are the channels available to deliver information to customers?

#### People

2.8 How many designers companies typically need?

2.9 What skills designers should be equipped with in small printing companies?

#### Physical evidence

2.10 What physical environment can be found in the majority of digital printing companies?

2.11 Do the workers wear uniforms when they are at work?

2.12 Do companies offer designed package for customers?

#### Process

2.13 Do small companies provide delivery services for their customers?

2.14 How long does it take for customers to get finished basic products? (e.g. business cards)







<i>Product E-Vinyl Banners &amp; Signs</i>												
Type1: Width:<1200mm	Average size/order: 1.5m2											
Type2: Width:>1200mm	Average sizes/order: 4m2											
	January	February	March	April	May	June	July	August	September	October	November	December
Orders of type1	4	4	4	5	5	5	6	6	6	7	7	7
Average size/order (m2)	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Price/m2	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
Sales revenue of type1	300.00	300.00	300.00	375.00	375.00	375.00	450.00	450.00	450.00	525.00	525.00	525.00
	January	February	March	April	May	June	July	August	September	October	November	December
Orders of type2	3	3	3	4	4	4	5	5	5	6	6	6
Average size/order (m2)	4	4	4	4	4	4	4	4	4	4	4	4
Price/m2	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00
Sales revenue of type2	840.00	840.00	840.00	1120.00	1120.00	1120.00	1400.00	1400.00	1400.00	1680.00	1680.00	1680.00
<b>Total sales revenues</b>	<b>1140.00</b>	<b>1140.00</b>	<b>1140.00</b>	<b>1495.00</b>	<b>1495.00</b>	<b>1495.00</b>	<b>1850.00</b>	<b>1850.00</b>	<b>1850.00</b>	<b>2205.00</b>	<b>2205.00</b>	<b>2205.00</b>



<b>2) Black and white copies</b>												
	January	February	March	April	May	June	July	August	September	October	November	December
Units (A4, 80g copy paper)	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500
Prices/unit	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Sales revenue1	1400.00	1400.00	1400.00	1400.00	1400.00	1400.00	1400.00	1400.00	1400.00	1400.00	1400.00	1400.00
Units (A3, 80g copy paper)	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600
Prices/unit	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Sales revenue2	1280.00	1280.00	1280.00	1280.00	1280.00	1280.00	1280.00	1280.00	1280.00	1280.00	1280.00	1280.00
Units (A4, 157g paper)	200	200	200	200	200	200	200	200	200	200	200	200
Price/unit	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Sales revenue3	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00
Units (A3, 157g paper)	150	150	150	150	150	150	150	150	150	150	150	150
Price/unit	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Sales revenue4	375.00	375.00	375.00	375.00	375.00	375.00	375.00	375.00	375.00	375.00	375.00	375.00
<b>2) Total sales revenues</b>	<b>3355.00</b>	<b>3355.00</b>	<b>3355.00</b>	<b>3355.00</b>	<b>3355.00</b>	<b>3355.00</b>	<b>3355.00</b>	<b>3355.00</b>	<b>3355.00</b>	<b>3355.00</b>	<b>3355.00</b>	<b>3355.00</b>
<b>Total sales revenues</b>	<b>4530.00</b>	<b>4530.00</b>	<b>4530.00</b>	<b>4530.00</b>	<b>4530.00</b>	<b>4530.00</b>	<b>4530.00</b>	<b>4530.00</b>	<b>4530.00</b>	<b>4530.00</b>	<b>4530.00</b>	<b>4530.00</b>
<b>All products (Product A,B,C,D,E and F)</b>												
<b>Total sales revenues/month</b>	<b>12495.00</b>	<b>12495.00</b>	<b>12495.00</b>	<b>13875.00</b>	<b>13875.00</b>	<b>13875.00</b>	<b>20330.00</b>	<b>20330.00</b>	<b>20330.00</b>	<b>21035.00</b>	<b>21035.00</b>	<b>21035.00</b>

## APPENDIX 3

## EXPENSES OF MARKETING ACTIONS

	1st quarter			2nd quarter			3rd quarter			4th quarter		
	January	February	March	April	May	June	July	August	September	October	November	December
Flyers	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00			
Business cards	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00			
Telephone							300.00	300.00	300.00			
Poster advertisement		420.00	420.00									
Salary of salesperson	2000.00	2000.00	2000.00	2000.00	2000.00	2000.00	2000.00	2000.00	2000.00	2000.00	2000.00	2000.00
<b>Total costs</b>	2068.00	2488.00	2488.00	2068.00	2068.00	2068.00	2368.00	2368.00	2368.00	2000.00	2000.00	2000.00