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# A COMPREHENSIVE MARKETING PLAN TO ACHIEVE I-SMILE'S MARKETING STRATEGIES AND OBJECTIVES

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A COMPREHENSIVE MARKETING PLAN TO ACHIEVE I-SMILE'S  
MARKETING STRATEGIES AND OBJECTIVES

A Creative Project submitted to the  
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By  
Istvan Baricz  
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## **Introduction**

In this project I have developed a marketing plan for the startup company i-Smile. The purpose of this project is to provide the company a comprehensive marketing plan that is necessary for properly achieving business goals and satisfying customers. The first part of this project consists of marketing elements that are essential for recently established small companies. It gives business owners a complete strategy for being sustainable in the long run and also to gain market share. The main marketing elements of this plan are the company's marketing environment, SWOT Analysis, marketing objectives, marketing strategy development and implementation.

The second part is a personalized marketing plan for i-Smile which consists of the same marketing elements with a focus on the company and its market location in the Greater Cleveland Area. i-Smile is a technological company that provides hardware, software, and training services for and about all Apple products. i-Smile's mission is to satisfy its customers with superior craftsmanship with a dedication to servicing Apple products exclusively.

The creative project of i-Smile Company is a market-specific, thorough marketing plan. A well-developed marketing plan can be the reason for the success or failure of a start up business like i-Smile. The company's sustainability in the market is ultimately decided by competition for market share. Therefore, i-Smile places a lot of effort in creating a customer-driven marketing plan.

According to IBISWorld, the cell phone repair industry has experienced

strong growth during the past decade as smartphone and data usage have increased. Statista, one of the world's largest statistics portals, estimates that there will be more than 196 million smartphone users in the U.S. by the year 2016. This is more than a 300% increase from 2010 when 62.6 million people were using smartphones. Statistical data from Strategy Analytics shows that Apple controls the U.S. smartphone market with 49% market share, following by Samsung with only 23%. These numbers explain why rising popularity of expensive, damage-prone smartphones gave the iPhone repair industry a significant boost. In 2012, *Time* magazine reported a new study which estimated that Americans have spent some \$5.9 billion on iPhone repairs since the first generation of iPhones were released in 2007. This number will double by 2018 when there will be 220 million smartphones on the U.S. market.

The BBC online news portal published Gaia Vince's (2012) article, "The high cost of our throwaway culture," which argues that multinational companies are intentionally designing their products to fail after a certain amount of usage or time. Without deciding whether this is a conspiracy theory or not, it is a fact that people replace their iPhones, iPads, MacBooks etc. with a new model every 2-3 years. The old device will remain in the market as second-hand product and will eventually fail to function properly without being repaired. Although these numbers give i-Smile a growing customer base forecast and an opportunity to be present in a profitable market, the idea did not come only from positive statistical numbers.

The conception of establishing an Apple repair shop comes from the negative experience with Apple's well known Genius Bar. These so-called experts were unable to provide an alternative solution to my first iPhone's mute button failure and the only option they gave me was a phone replacement for \$150. Several days later, I found software for \$5 that replaced the mechanical mute button with an application. However, the disappointment in Apple's geniuses became stronger when I discovered that the iPhone's iOS software could replace every button on the phone without any third party program. My admiration toward those so-called "geniuses" quickly disappeared and was replaced by a thought that an Apple device can be simple if we understand the way their developers think. Furthermore, the idea of establishing a business that profits from repairing Apple devices became stronger when I had to replace the front screen of my iPhone 4. Discovering the inside of an iPhone was very interesting and new. The precision and innovativeness of the phone convinced me immediately and I created i-Smile. Our mission is to satisfy customers with superior craftsmanship with a dedication to servicing Apple products.

i-Smile's goal is to provide premium quality work and customer service so that clients will smile upon receiving the product back. The letter "i" on the other hand aims to direct people's thoughts toward Apple devices like iPhone, iPad, iMac or iPod. Current competitor repair shops have names like Phone Ambulance, iCrack, or iFixit. i-Smile is distinguishing itself by focusing on customers rather than on product.

With this foundation in mind, reviewing the literature will help i-Smile to

critically analyze the contents of a marketing plan for startup businesses. The main purpose of this literature review is to summarize and synthesize the ideas of others that can support i-Smile's marketing plan.

## **Literature review**

### **ROLE OF MARKETING**

Today's successful companies have one thing in common: they are strongly customer-focused and heavily committed to marketing. The role of marketing in a business is to understand the marketplace and customer needs.

According to Armstrong and Kotler, there are "five core customer and marketplace concepts: (1) needs, wants and demands; (2) market offerings (products, services, and experiences); (3) value and satisfaction; (4) exchanges and relationship; and (5) markets" (p. 6). Human needs include basic physical needs for food, clothes and safety. Wants are the choice of product customers would like to have and it aims to satisfy needs. Wants become demands when customers have buying power. People demand products with benefits that result in high satisfaction. The concept of needs, wants, and demands can be fulfilled through market offerings. The third concept, customer value and satisfaction, determines the company's sustainability in the long run. Satisfied customers will buy again and recommend the product to others. On the other hand, dissatisfied customers are likely switch to competitors and disparage the product to others. The fourth concept consists of actions taken to build and maintain desirable exchange relationships with target audiences involving a product, service or idea.

“Exchange is the act of obtaining a desired object from someone by offering something in return” (Armstrong & Kotler, 2011, p.6). The concept of market is the set of actual and potential buyers of a product. These prospective customers share a particular need or want that can be satisfied through exchange relationships.

Although these five concepts alone do not guarantee success, they are necessary to implement in the marketing plan in order to create value for customers. One key factor in achieving this result is to have an honest and trustworthy brand.

A company can hardly execute a successful integrated marketing program without having or building a brand. Al and Laura Ries state that what customers say about a brand is so much more powerful than what the company says about its own brand. In order to make the marketing plan effective, a company must have a brand that people like and trust. Building a brand does not necessarily mean millions of costs in advertising: “Today brands are born, not made. A new brand must be capable of generating favorable publicity in the media or it won’t have a chance in the market place” (Ries & Ries, 2003, p. 26). Ries and Ries argue that in the past a huge advertising budget was the key ingredient in the brand-building process. Now, people live in an over communicated society now, where everyone gets hit with hundreds of commercial messages daily. Therefore, what works in branding today is publicity, not advertising. By publicity, Ries and Ries (2003) are talking about unpaid appearance in all sorts of media like newspaper, television news, radio, forums and social media.

Shell and Moussa (2007) discuss the method of connecting the idea to people. They assert that marketing is so powerful that even “the most unlikely ideas can be pushed through the most difficult environment if someone act methodically” (p. 45). By methodically, they mean one idea, one ally, one e-mail, one conversation, one meeting, and one presentation at a time.

Building a marketing strategy takes a lot of planning and research. As mentioned above, a thorough plan should focus on customers and their values. What are those customers wants or needs and how can the company satisfy them? Moreover, developing awareness of the brand - who we are, what we do and why we are uniquely qualified - is also a key factor to success. What follows is an explanation of what the literature indicates are the steps that will be needed to build a comprehensive marketing strategy. The literature suggests that the first step is to develop an understanding of the organization's marketing environment and then to use that understanding to perform a SWOT analysis. Building on the results of that analysis, the literature indicates the subsequent steps are to develop a marketing strategy, perform market research, and finally, implement the plan.

### **The Company's Marketing Environment**

The marketing environment consists of micro environment and macro environment. The micro environment is comprised of the actors close to the company that affect its ability to serve its customers. The macro environment consists of the major external and uncontrollable factors that influence an organization's de-

cision making. These factors include demographic, legal, political and social conditions. Because i-Smile is mostly unaffected by the macro environment factors in the first few years, only the company's micro environment will be examined in this project.

**The Company:** All divisions inside a company can affect customer satisfaction both positively and negatively. Therefore, the marketing division must work closely with the department of finance, research and development, and manufacturing departments, among others, to discover ways that each division can contribute to the provision of excellent customer value, which leads to greater customer satisfaction.

**Organizational Culture:** The term "culture" means many things to many people. Organizational culture is the shared social knowledge within an organization regarding rules, norms, and values that shape the attitudes and behaviors of its employees. Colquitt and his partners have distinguished three major components to any organization's culture: observable artifacts, espoused values, and basic underlying assumptions (Colquitt, LePine & Wesson, 2010).

Observable artifacts are the manifestation of an organization's culture that all employees can easily see or talk about. Colquitt and his partners (2010) argued that there are six major types of artifacts: symbols, physical structures, language, stories, rituals, and ceremonies. These artifacts help employees to be part of something special or unique. It not only helps to create connection between the organization and its employees, but it also helps in developing loyalty towards the company. Furthermore, the observable artifacts must communicate

the same message in a way that is clear and understandable to every worker.

Espoused values are essentially the beliefs upon which the company is built and developed into a code of conduct. They are grounded in shared assumptions of how the company should be run. The primary purpose of espoused values is to create a company-wide standard for behavior so that employees will follow the company line rather than their own value systems. These values are relevant during the recruitment process as well. If employees share the same values and cultures, then they can better work together as a team. This means there is less confrontation or negative forces that decrease employee performance and creativity. Companies like Apple or Amazon are known for hiring only the people who shares their culture and values.

Basic underlying assumptions represent a deep and less recognizable part of a company's culture and may not be consciously apparent. They are also the aspects of an organizational culture that are the most long lasting and difficult to change. Many organizations try to create a customer service culture focused on service quality. In addition, "organizations that have successfully created a service culture have shown to change employee attitudes and behaviors towards customers" (Colquitt et al., 2010, p. 94). The markets are highly competitive in most business segments and there is no company, with a few exceptions, who can afford to lose customers because of negative employee attitudes.

**Suppliers:** Suppliers provide the resources needed by the company to produce its goods and services. Marketing managers must watch supply availability and costs to avoid supply shortages, delays, labor strikes, and other events

that can cost them sales in the short run and damage customer satisfaction in the long run (Armstrong & Kotler, 2011). Suppliers are also the key to reliability. It is critical for a company like i-Smile to provide quality work for its customers. This is only achieved if an iPad screen, for example, meets every quality standard and i-Smile can be used without worry of defectiveness.

**Marketing Intermediaries:** These are firms that help the company to promote, sell, and distribute its goods to final buyers. Banks, venture capitalists and other sources help to finance projects; wholesalers or transportation companies distribute goods; and advertising or public relations firms market their products. Like suppliers, marketing intermediaries form an important component of the company's overall value delivery system.

**Competitors:** Differentiation and positioning in marketing is essential. Every company, especially startup companies, must offer services that are better than those offered by different competitors. Furthermore, the market can move very quickly, so knowing as much as possible about the competitors is a business necessity.

**Publics:** A public is any group that has an "actual or potential interest in or impact on an organization's ability to achieve its objectives" (Armstrong & Kotler, 2011, p. 69). For a company or institution to grow, it must build strong relationship with the public. Customers who are satisfied with the product can contribute to a marketing campaign through positive word of mouth. For example, financial publics influence the company's ability to obtain funds, media publics carry news and editorial opinion, and internal publics include workers and managers.

After understanding the marketing environment and the elements of it, it is appropriate to make the SWOT Analysis. This section discussed the microenvironment of a company and revealed the necessary information need to start the analysis.

### **SWOT Analysis**

Every company that wants to determine a strategy must start by gathering and analyzing all of the necessary information. The goal of a SWOT Analysis is to match the company's strengths to attractive opportunities in the environment while eliminating or overcoming the weaknesses and minimizing threats (Armstrong & Kotler, 2011). According to Goodrich (2013), "it is impossible to predict accurately a small business's future without first evaluating it from all angles, which includes a thorough look at all internal and external resources and threats" (Goodrich, 2013, p. 7).

The SWOT Analysis is about leveraging the company's strengths, outsourcing and partnering where it is weak, focusing on opportunities, and being aware of threats (Goodrich, 2013). The key role of SWOT is to help develop a full awareness of all factors that may affect strategic planning and decision-making. The first two letters in the acronym, strengths and weaknesses, refer to internal factors, which mean the resources and experience readily available to the company. Opportunities and threats, on the other hand, refer to external factors.

Although SWOT Analysis is helpful in broadly addressing questions which would aid in developing a marketing plan, leaders must know that this method alone will not identify the organization's key values. Companies should also have

guiding principles that help to define how the organization should behave. These principles are usually expressed in the mission statement and are key to the company's future. A SWOT Analysis also enables the company to determine the overall marketing objectives. These objectives could include to increase sales, build brand awareness, gain market share, or increase profit.

### **Set Marketing Objectives**

Marketing objectives is a clear statement of what the marketer is going to accomplish in the marketplace. According to Volkmann and his partners (2010), the marketing objectives form the basis for the development of marketing strategies and operational marketing policies. The planning of the marketing objectives strongly depends on the results of the situational and environmental analysis. They argue that marketing objectives formulate as economic and market-psychological goals. Economic goals relate to the increase of turnover, i.e., they try to influence sales quantity and sales price through instrumental goals (Volkmann et al., 2010)

The company's objectives need to be defined in specific terms so that the management department can measure progress and plan corrective action if necessary. These objectives for a particular product might include increasing product awareness among targeted consumers, providing information about product features, and increasing consumer willingness to buying the product.

Market-psychological goals are a part of the marketing objectives but have a qualitative aim. They describe intended, purposeful adjustments of future pur-

chasing behavior of customers corresponding to financial goals behind the marketing efforts of a company. Examples of qualitative target values are brand awareness, brand image, purchasing intensity, customer satisfaction, and product.

Kelley and Jugenheimer (2014) further emphasize the importance of establishing overall marketing objectives. They assert that media objectives are based on the advertising objectives, which are based on the marketing objectives. “Advertising objectives must be in concert with and derived from marketing objectives” (Kelley & Jugenheimer, 2004, p. 49). In general, “there are three main categories of advertising objectives a business might set itself in terms of whether it seeks to inform, persuade, or remind the target audience” (Jugenheimer, 2010, p. 49). For instance, businesses may use advertising for the objective of building a company image, changing perceptions, or special promotions strategy.

Understanding the marketing objectives must be clear to all managers before they move to the next stage of planning: developing the marketing strategy.

### **Develop Marketing Strategy**

Marketing strategy has been defined as “the set of objectives, policies and rules that guides over time the firm’s marketing efforts partly independently and partly in response to changing environmental conditions” (Kotler, 1980, p. 77). A marketing strategy is one element of overall business strategy and is made up of number of sub strategies.

**Target Market and Positioning:** Market targeting involves evaluating each market segment’s attractiveness and selecting one or more segments to

enter. A company should target segments in which it can profitably generate the greatest customer value and sustain it over time (Armstrong & Kotler, 2011). After the company has decided which market segment it wants to enter, it must decide how it will differentiate its market offering for each targeted segment and what positions it wants to occupy in those segments.

A product's position is the place the product occupies relative to competitors' products in consumers' minds. Positioning is why a customer will pay a little more for the brand, and according to Wei, Zhu, and Lin (2013), the best way for a company to position itself is to decide who and which market does the company serve; what do customers want; what products or services should companies offer to satisfy customers; what value propositions do the products or services develop; and what value do the products or services bring to customers? The first and third points define strategic positioning, while the others describe marketing positioning. Furthermore, compared with strategic positioning, marketing positioning focuses on customer needs (Wei et al., 2013)

**Product/Service Strategy:** A product involves anything that can be offered to a customer for attention, acquisition, use, or consumption and that might satisfy a want or need. "Careful management of the product offering is essential if the company is to produce the desired response from customers" (Bickhoff, 2014, p. 57). Moreover, in creating an acceptable product offer for markets, it is necessary to examine first what contributes to the "total" product offer. According to Hollensen and Opresnik (2010), we must consider three product levels: (1) Core product benefits: functional features, performance, perceived value, image

and technology; (2) Product attributes brand name, design, packaging, price, size, color variants, country of origin; (3) Support services: delivery, installation, guarantees, after sales service.

This strategy element of the business plan is critical because it describes how the products or services will be sold, the target markets the company will sell to, the marketing message the company intends to use, and the methods that will be used to deliver the message.

**Pricing Strategy:** Pricing is one of the most important elements of the marketing strategy (Nagle & Holden, 2002). To use the right pricing strategy for a product, the company needs a good estimate of what customers are willing to pay for the offered product. In recent decades, companies have shifted their pricing strategy from cost-oriented to a strategy that focuses on value of the products as perceived by the customers. This approach is called value-based pricing and is considered along with other marketing variables. A good pricing strategy always includes the product differentiation that aims to divide customers into segments and optimizing the product for the specific need of that segment.

When a company introduces new products or services, different pricing can be adopted. Penetration, or skimming pricing strategy, is very common when a single product has launched (Braidert, 2006). Penetration aims to set a lower price in order to achieve a larger market share. On the other hand, with skimming strategy the company wants to charge a relatively high price for a short period for the new innovative or more sophisticated product.

**Promotion and Marketing Communication Strategy:** Marketing mix or 4P's of marketing (product, price, place, promotions), plays a crucial role in developing the strategy of an organization. This is because, the marketing mix decisions will also affect segmentation, targeting and positioning decisions. As the "Four Ps model start to show its flaws, similar factors will drive the change in marketing communication, specifically advertising and promotion" (Schultz & Schultz, 2004, p. 114). The importance of advertising and sales promotion in marketing strategy is also supported by Hopkins (1972). In his study, he found that company marketing plans usually emphasized the key sales-generating elements and that plans of consumer-product services "usually focus more on the advertising and sales promotion elements" (Hopkins, 1972, p. 87). Strang (1980) also noted that in a consumer goods company "advertising, promotion and merchandising are generally the core elements of the marketing plan" (p.100).

Buzzell (1972) agrees, saying that "establishing the total level of communications effort and its allocation among major forms are difficult but vital management tasks" (p. 25). Therefore, product proliferation, an excess of new channels, and more competitive pricing, all demanded new forms and types of marketing communications. Don and Heidi Schultz (2004) have identified a five-step process through which a fully integrated communication program is developed. The first step in this process is identifying customers and prospects. The other steps include evaluation of customers/prospects; creating and delivering messages and incentives; estimating return on customer investment and finally, budgeting,

allocation, and evaluation. This integrated marketing communication process uses multiple communication methods to focus on the customer with the overall objectives of acquiring, maintaining, growing, or migrating customers in order to generate greater and more consistent income flows over time (Schultz & Schultz, 2004).

Knowing the elements of developing a successful marketing plan is just the beginning. In order to implement a successful marketing plan, one must understand how to do proper market research.

**Marketing Research:** Marketing research is the process by which we gain insight into how markets work, a function in an organization, or it can refer to the outcomes of research, such as database of customer purchases or a report including recommendations (Sarstedt & Mooi, 2014). This marketing research process has four steps according to Armstrong and Kotler (2011).

The first step is defining the problem and research objectives. This step is probably the most difficult, but it is also the most important because it guides the entire research process. To do this one must have a clear understanding of why the research is being conducted and what the hypotheses are.

The second step consists of developing the research plan for collecting information. This step includes determining the exact information needed, developing a plan for gathering it efficiently, and presenting the plan to management. As stated previously, this information could come from the SWOT Analysis and goals of the marketing objectives.

The third step involves implementing the research plan. This includes

collecting and analyzing data. It involves collecting, processing, and analyzing the information.

Finally, the fourth step is interpreting and reporting the findings. At this step, researchers interpret the findings, draw conclusions, and report them to management in a way that is not overwhelming with numbers and complicated statistical techniques. A clear understanding of all the data is critical because management will make decisions based on what they received of the research.

**Suppliers:** Suppliers form an important link in the company's overall customer value delivery system (Armstrong and Kotler, 2011). They provide the resources needed by the company to produce its goods and services. Armstrong and Kotler (2011) argue that marketing managers must watch supply availability and costs because supply shortages or delays, labor strikes, and other events can cost sales in the short term and damage customer satisfaction in the long term. Therefore, most marketers treat their suppliers as partners and make every effort to have a good supply chain strategy.

"The fundamental purpose of supply chain strategy is to ensure smooth flow at minimum cost" (Christopher, Peck & Towill, 2006, p. 10). Christopher and his partners (2006) state that sourcing strategy, operations strategy, and route to market need to be appropriate to specific product market conditions.

SWOT Analysis revealed the strengths and weaknesses of the company and the marketing research showed which way to choose, so it is now time to implement the marketing plan.

## **Implement and Control The Marketing Plan**

Marketing implementation is the process that turns marketing strategies and plans into marketing actions in order to accomplish strategic marketing objectives (Armstrong & Kotler, 2011).

**Action Plan:** After developing a marketing plan, the following step is to create an action plan that includes establishing goals, strategies, tactics, those responsible, measurable outcomes, and methods of tracking progress. Al Lautenslager (2014) claims that “the heart of the implementation of a marketing plan is the execution and the actual ‘doing’ of the planned marketing activities” (p. 168) and requires effective and efficient coordination of activities; attention to detail; staying on top of “who’s doing what; elimination of procrastination; and find out every team member strength’s to delegate effectively.” Lautenslager argues that every person, who is participating in the implementation process, must be held accountable for the assigned task. “Following up and checking completion and due dates on a regular basis will ensure that the manager is practicing the habit of marketing accountability” (Lautenslager, 2014, p. 172).

Focusing on top priorities first, a startup business should develop a one-to- two year action plan, which include the elements of goals, strategy, assignment and desired outcomes. Goals must be specific and measurable. Then each strategy has to relate to one of the goal and an audience. Next, one must set responsibilities for actions and tactics. Finally, just like goals, desired outcomes must be measurable and achievable.

For a favorable action plan execution, the product manager has to be the driving force and should be like an editor in chief, breaking the task up into parts for the different managers.

**Responsibility:** The next step is to locate responsibility. In some cases responsibility ultimately falls on one person, especially in start up businesses, but in others it is shared. Bickhoff, Hollensen, and Opresnik (2014), state that “it is important to consider this issue, because corrective or supportive action may need to focus on those responsible for the success of marketing activity” (p. 47).

In order to be successful, the people involved and effected by the control process should be consulted in both the design and implementation stages of marketing control. Moreover, many organizations assume that corrective actions need to be taken only when results do not match with expectations or when costs and budgets are being exceeded. In fact, “both negative (underachievement) and positive (overachievement) deviations may require corrective actions” (Bickhoff et al., 2014, p. 56).

It is also necessary to determine such things as the frequency of measurement (e.g. daily, weekly, monthly or annually). However, startup businesses must acknowledge that more frequent and more detailed measurement usually indicates more cost.

**Budget:** The classic quantification of a marketing plan appears in the form of budget. Budget plans represent a projection of actions and expected results, and they should be capable of accurate monitoring. Budgeting forecasts are used to construct a budgeted profit-and-loss statement (i.e. profitability). One of the

most important aspects of budgeting, especially for startup businesses, is deciding how to allocate the last available dollars across all of the elements within the marketing plan.

Small businesses do not have as many options as big companies. However, this does not mean that they have to limit their marketing budget to marketing communications costs such as advertising, promotions, direct mail, and public relations. Edmunds (2014) explained, “a true marketing plan includes the upfront planning, communications expenditures and ongoing monitoring and tracking of the marketing efforts” (p. 89). A company must include all three components in the budget plan to spend every dollar with maximum efficiency and generate maximum sales. (Edmunds, 2014).

Sebastian Klapdor (2012) claims that “it is critical for startup companies to spend more for the first few years” (p. 93). He recommends spending up to 15 percent of sales on promotional activities in the first few years. Once the company is established and has a consumer base, marketing budget can be decreased down to maintain the business (Klapdor, 2012).

Edmunds (2014) asserts that there are certain steps that must be included in the marketing plan budget. First, a list of the different segments of the marketing efforts must be created. These segments include research, testing, creative production, communications and tracking. Next, managers have to estimate the costs involved in gathering market research. Third, estimate the costs of testing different marketing strategies such as product giveaways, focus groups etc. As

the fourth step, the company has to estimate the costs of communication campaign. Finally, an estimate of costs of tracking and monitoring the communications efforts is necessary.

**Measurement and Control:** The final but crucial stage of a marketing plan is the control process. Not only is controlling important to evaluate performance, but it completes the circle of planning by providing the feedback necessary for the start of the next planning cycle.

Unlike traditional media, advertising messages on digital channels can be followed by individual consumers at low cost (Chaffey & Chadwick, 2009). This eventually leads to a higher effectiveness of advertising and to increased cost-efficiency (Klapdor, 2012). Furthermore, digital channels support a precise measurement of advertising effectiveness (Homburg, Kuester & Krohmer, 2009). Through sophisticated tracking mechanisms and behavioral outcomes such as purchases, sign-ups, or customer calls, effectiveness can be directly attributed to advertising exposure on an individual consumer level. In other words, choosing the proper tools to capture data is critical.

As the literature review revealed, marketing plays a very important role in understanding the marketplace and customer needs. Startup businesses, like i-Smile, must make every effort to develop a good marketing plan before they enter into any market. In fact, analyzing the company's marketing environment is telling of what opportunities a business will have in that specific market. For a company, SWOT Analysis and market research are critical to not only to set long-term goals, but to position and differentiate itself from others as well. A good

plan helps to determine marketing objectives, set up budget and action plans, and include the implementation process.

i-Smile has worked with all the elements in the literature review in order to develop the best possible marketing plan. The company has set the marketing objectives and has completed a SWOT Analysis and market research as well. Furthermore, it analyzed its marketing environment and clearly positioned itself on the Northeast Ohio market. In the following part of this project, the reader will be able to see what i-Smile does and for who, and what goals the company wants to achieve in five years.

## **i-Smile Marketing Plan**

### **The Company's Marketing Environment**

**Organizational Culture:** i-Smile was established in 2014 and it is still developing its corporate culture. First and foremost, it is important to note that i-Smile is very ethical in its practices. The company truly believes that every customer is equal, therefore they have to be treated the same way and there should be no distinction between customers who have limited resources and customers who have more resources at their disposal. The price is always the same for everyone regardless of whether the person is a friend, acquaintance, or person with influence. i-Smile is highly committed to its customers because ultimately they are who will provide sustainability and ensure that the company can grow.

**Resources:** Given that i-Smile is a startup organization, they have a limited amount of resources so the company needs to be extremely careful in terms of building customer equity. They need to focus on “butterflies” and “true friends.”

“Butterflies” are short-term customers but they offer high profitability to the firm. “True friends” are extremely loyal to the firm and bring in major profits. The most important difference between these two concepts is that the “butterflies” help the company earn profit in a short period of time, while the “true friends” keep i-Smile sustainable in the long run.

**Micro Environment:** i-Smile’s main competitor is Apple. Apple has two stores in the Greater Cleveland area, one in Westlake and one in Woodmere. Another big competitor is Phone Ambulance. Phone Ambulance was able to develop and execute a professional communication plan and as a result, they received a lot of positive public relations coverage. They have been featured on twenty different news programs as a well-established and reputable company. On the other hand, there are competitions like iCrack and Cleveland iPhone repair, who are serving customers in the Greater Cleveland area. For many years they failed to build trust and credibility with their customers because they focused more on aggressive market gain instead of customer satisfaction and quality service. Therefore, the Apple stores and Phone Ambulance are going to be i-Smile’s toughest competitors.

**SWOT Analysis:** i-Smile’s owner conducted the SWOT Analysis and found that the company’s strengths are that it is proficient in hardware and software repair and that it is dedicated to customers and quality service. Its weaknesses are that i-Smile does not have the budget that the competitors have. Therefore, communicating our message and competing with other companies is challenging.

One of i-Smile's opportunities is offering technological consulting. This element extends software repairs and servicing beyond smartphones (i.e. iPods and laptop computers). Working with Apple directly to form a repair partnership is another opportunity for i-Smile after growing big enough to be considered a serious and reliable partner.

Threats are mainly the competitors like Phone Ambulance and Apple. They have distinguished themselves and they have a dedicated audience in North Eastern Ohio, and they will be sustainable for a long time. Therefore, in order to gain market share and win customer's trust, i-Smile has to rally with these competitors.

**Marketing Objective:** There are specific goals and objectives that need to be stated to narrow the focus of the marketing strategy. Goals and objectives keep the marketing efforts focused on task completion. The goals and objectives for i-Smile need to be realistic and specific.

First, for startup companies like i-Smile, it is essential to increase brand awareness. This does not necessarily mean that i-Smile wants to associate the name to its service, but to create its own brand.

The second objective is to gain market share. To achieve this goal, i-Smile has to focus not only on establishing its business, but on its competitors within Cleveland. Positioning and differentiating itself is a very effective way to gain market share. It is important to establish a loyal customer base because returning customers make the company sustainable in the long run.

i-Smile's third objective is to serve 500 customers in the next year and be

profitable. This goal is plausible if the company reinvests most of its income into new technology or other ways of providing service.

Finally, to effectively define market segments and accurately target consumers through research data, the company needs to know its prospective customers. With consistent emphasis on customer value through each communication effort, the customer base is sustainable in the long run.

### **Development of Marketing Strategy**

**Select Target Market:** i-Smile first needs to decide who the target customers are. Who are the people, the men and women in the Greater Cleveland area, the company wants to target? To answer these questions i-Smile identified the following market segments:

- Consumers who value quality, regardless of price;
- Consumers who value timeliness of repair;
- Corporations who wish to offer Apple product services to employees;
- Consumers who need software support, which is unique from our competition;
- Consumers who would like to enhance their device's usefulness by getting software assistance;
- Consumers who wish to maximize their knowledge of their technological device.

**Positioning:** As a startup company, i-Smile has limited resources and therefore cannot focus on all of the aforementioned segments. The following

three segments were chosen in order to illustrate how i-Smile can differentiate itself from its competitors.

For those consumers who value quality, regardless of price and time of repair, the company will communicate: *"i-Smile - Quality in time."* Promoting and emphasizing that i-Smile is all about quality. When someone brings a device to the shop for the first time, it will be fixed professionally so customers will not have to bring it back again with the same problem.

For consumers who would like to enhance their device's usefulness by getting software assistance, i-Smile created a more promoting statement that will effectively position and differentiate its software branch: *"i-Smile - An easier life calls for effective solutions!"* In other words, clients bring their item to i-Smile, they are going to get an effective solution each and every time and their software will run much better.

For those clients who wish to maximize their knowledge of their technological device, i-Smile has the message: *"Never ask for help again!"* The company wants to be straightforward in making sure the customers know they will never actually have to ask for help again. That is what the company will promote if they come to training sessions. i-Smile will teach them how to take care of their devices. It may sound simple, but phone users do not always know how to take care of their phones or tablets. They are usually unaware of proper way of cleaning the device, the necessary maintenance steps, or maximizing their devices capability. That is what i-Smile will teach people who take the training seminars.

Once i-Smile learns more about its target market, it will utilize market research to understand the needs, wants, and demands of the customers. One challenge for i-Smile is catering to the needs of an eclectic mix of potential clients. People have different needs that are predicated on the culture they grew up in, their family, their occupation, and their age and life status. This could make it very challenging to identify various needs, wants, and demands.

One strength for i-Smile is that it is in an industry (fixing electronics) that seems to be in great demand. Electronics like Apple iPhones, iPads, etc., are no longer just wants to most people; they are turning into needs for communication, business, and school purposes. As the market research revealed, there is a great demand for i-Smile's services. Research and statistical data predict that people would prefer to have a device fixed rather than paying for a new device.

**Pricing Strategy:** i-Smile decided to use the cost plus pricing strategy when there was hardware related problem and consists of the following: cost of the parts + fixed costs + 30% profit margin. For instance, if someone has an iPhone 4S and would like to replace the screen, then the cost of a new screen is \$41, shipping cost is \$7, cost of gas is \$5 for pick up and drop off service, and the profit margin is \$17. This way i-Smile has a final price of \$70, which is less than our main competitors' prices. Phone Ambulance charges \$86 and Apple \$200 for the same replacement. Furthermore, the highest quality of an aftermarket part is relatively easy to find. i-Smile, for example, can find the same quality parts as other competitors can find. Everything comes from China to every reseller and the only way to get a new original screen is if Apple does the

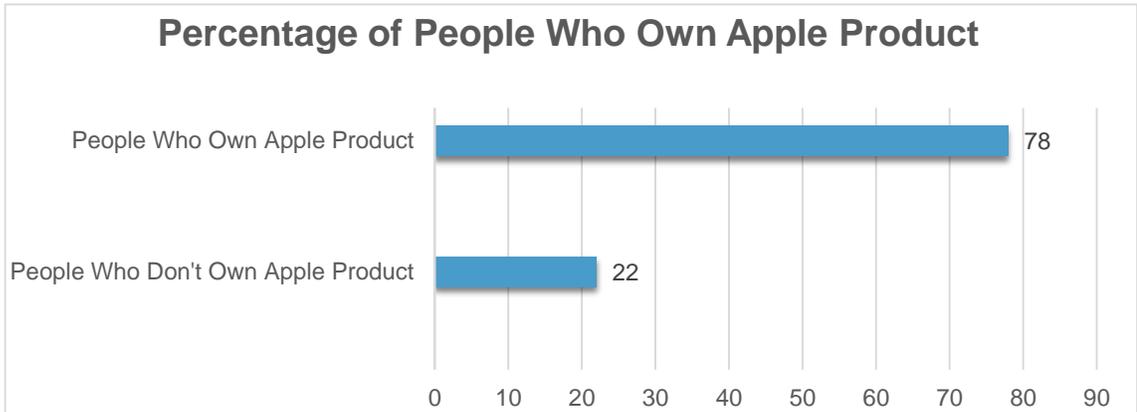
repair. Therefore, if a competitor claims that its price is higher because of the quality of the screen, that is somewhat inaccurate. Moreover, there are some other smaller businesses that offer a screen replacement for \$50, however their job is not as thorough and carefully executed as i-Smile's. In addition, the quality of their replacement parts does not meet with certain high quality standards and are very unreliable. Even though i-Smile is more expensive than the cheaper competitors are, people pay that \$20 difference for the quality of the repair and service.

**Marketing Research:** As an organization established one year ago, it is imperative for i-Smile to determine the following:

- Customer Base;
- What consumers value;
- Market segment needs, wants, and desires;
- Which I-Smile services are unique to what the market offers;

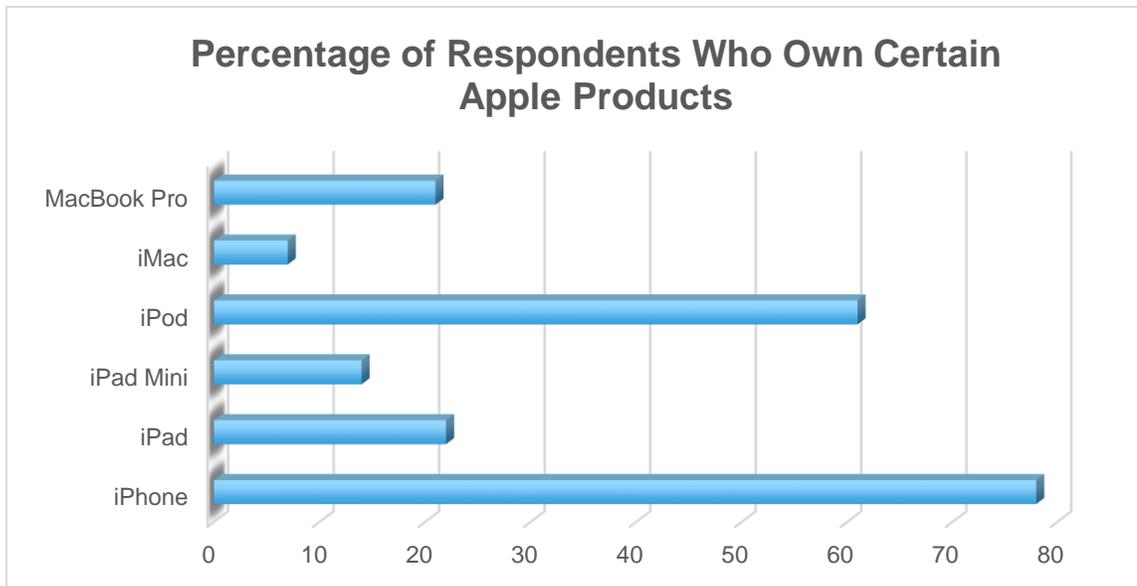
In order to get answers for these questions, the company recently completed a survey. This was descriptive research where i-Smile aspired to better describe marketing situations, or markets, such as the market potential for a product or the demographics and attitudes of consumers.

The market research findings were very interesting and valuable. As expected, 78% of the 79 respondents own an Apple product.



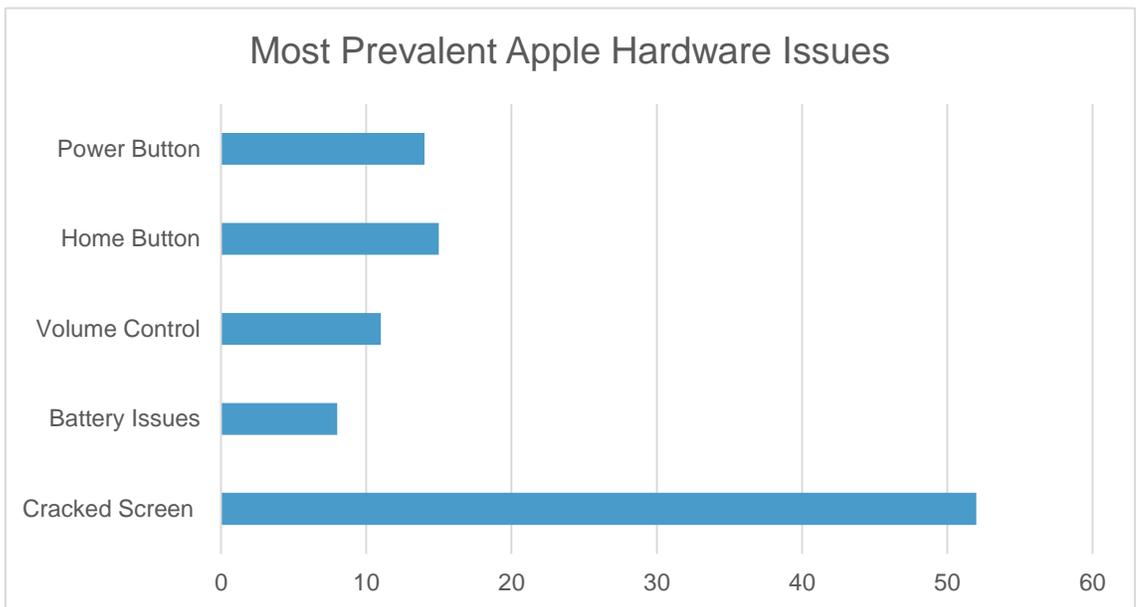
This means there is potential for i-Smile's services. Additionally, there is opportunity for i-Smile to help a lot of people because as everyone knows, any device that was manufactured may break from no fault of users. These products may break for many reasons.

As the following bar graph shows a lot of people own more than just one Apple product.

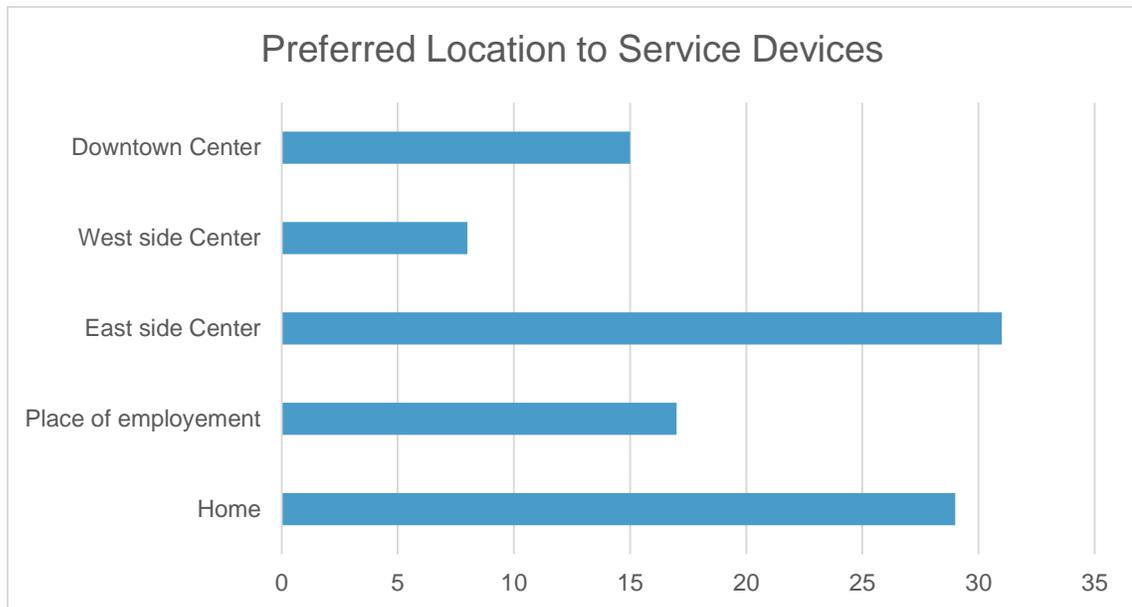


The data above gives i-Smile another reason to provide premium quality service because if the customers are satisfied then it is very likely that they will trust i-Smile with their other Apple devices, too.

The most common problems that 56% of the participants in the survey have experienced are related to the devices' hardware. This includes issues with the screen, volume control, home button, and issues with the speakers among others. On the other hand, some typical software issues were iOS software crashes or iTunes synchronization problems. These findings are valuable to the company because they show where i-Smile can really focus and help many people in specializing in these types of repairs.



i-Smile thinks that bringing the repair shop to the East side is preferable because the market research revealed that people under the age of 25 could utilize i-Smile's services.



This means that the company must focus on home repair and establishing an East side center of repair service. People from off the street can bring us their device, and i-Smile can service them in the shop. Furthermore, i-Smile would have online service where people can make appointments or arrange at home repairs.

Another survey question was intended to reveal if customers would prefer timeliness of the repair or quality repair. In other words, would someone prefer to have his or her device fixed right or have it done quickly like some of our competitors. The results confirmed that respondents preferred quality. As a result, in every communication effort that i-Smile will communicate, whether it is print media, radio, social media etc., it is going to stress quality in its positioning as opposed to timeliness. Furthermore, the survey revealed that people didn't really like the logo. Therefore, i-Smile hired a professional designer who were able to insert all the i-Smile quality into a well-designed logo (See Appendix 1 and 2).

## **Implement and Control the Marketing Plan**

**Action Plan:** The final part of i-Smile's marketing plan is the implementation strategy and controlling of the marketing plan. Thus, the company developed a one-year action plan timeline for 2016, summarizing everything that was mentioned before and indicating the plan is going to be executed.

- January 1—April 30: Formulate i-Smile's first comprehensive marketing strategy.
- May 1—May 31: Incorporate aforementioned positioning strategies into website, social media sites, and traditional marketing mediums.
- May 31—July 31: Implement summer online social media promotion strategy to encourage user generated content. Marketing & promotional efforts stress quality of i-Smile's craftsmanship when repairing Apple devices. Host inaugural i-Smile commercial contest (winner receives a year of free repairs).
- August 1—September 30: Marketing & Promotional efforts stress i-Smile's software repair sector of company.
- October 1—November 30: Marketing & Promotional efforts stress i-Smile's technology training.
- December 1—December 31: Evaluate the year 2015 and begin formulating preliminary action marketing plans for 2016.

**Responsibility:** Normally, responsibility is shared among the leaders but in i-Smile's case Istvan Baricz will be responsible of executing the marketing plan.

He will focus on social media marketing strategies, and executing i-Smile's inaugural summer time user-generated content contests. Furthermore, implementing marketing strategies to target i-Smile's three target segments is also Istvan's duty.

**Budget:** For marketing purposes, i-Smile has a relatively small budget of approximately \$1,300 a month. Despite the limited resource, i-Smile can use this fund effectively in various media platforms and with different methods. i-Smile has developed the following monthly budget plan for 2015:

- \$400 for printed marketing materials. This includes but not limited to flyers, posters, gift cards, smart phone cases, key tags;
- \$250 for miscellaneous charges while executing social media & user-generated marketing strategies;
- \$200 for Facebook advertising; \$200 for give away gifts. These gifts are tools and accessories that are closely related to the product. For example, sim-card remover, screen protector, iPhone case etc.;
- \$200 customer loyalty discounts. For example, \$15 off for the next service. Additionally, these coupons are transferable to family members and friends;
- \$50 a month for *Carroll News* ads.

## **Conclusion**

In order to gain market share and win customers' trust, a startup company like i-Smile must have a well-developed, comprehensive marketing plan. As the literature review revealed, i-Smile must invest a lot of time and resources in marketing strategy to become sustainable in the long term. The company conducted a market research that helped to describe its marketing environment, and also helped to identify its market segments. In addition, i-Smile was able to determine its target markets and specify the way i-Smile can be different than its competitors by positioning its business precisely. Moreover, the company put great emphasis on its branding and the result is a professionally designed new company logo. The SWOT Analysis showed that i-Smile's budget is its greatest weakness. However, as more customers come to the company, its strength of providing proficient hardware and software repair will reduce this weakness.

All these elements of the marketing plan will help i-Smile to continue what it started and satisfy its customers with superior craftsmanship and dedication to servicing exclusively Apple products.

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Appendix 1. Former i-Smile logo (2014).



Appendix 2. New i-Smile logo 1<sup>st</sup> form (2016).



Appendix 3. New i-Smile logo 2<sup>nd</sup> form



Appendix 4. New i-Smile logo comparison



i-Smile

