

Marketing Plan: Mr. Fix It Inc.

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I. Company Introduction

Mr. Fix It Inc. was established by Aaron Allen, the current owner, in 2011. The company currently has one location in Minneapolis, Minnesota. He wanted to create a company that not only offers a service at a reasonable price, but also delivers quality performance as well. Mr. Fix It Inc. is an affordable means to fix costly repairs for homes or businesses. We employ a variety of technicians that can meet multiple needs of the consumer. Mr. Fix It Inc. employs certified technicians such as plumbers, electricians, and carpenters. This wide variety of technicians gives the consumer an easy answer on how to resolve their home/business repair issues, no matter what it is. In general, our services include repairing, restoring, and installing, depending on the needs of the customer. Rather than having to make multiple calls to multiple businesses and trying to find the best deal, consumers will know Mr. Fix It Inc. offers cheap rates. Combining our cheap rates with our diversified technicians, we can solve most of the customer's issues. We eliminate the search for multiple estimates. Our slogan is, "With just one call, you fixed it all!"

In this marketing plan the following major points will be described and explained for the services offered by Mr. Fix It Inc. This document contains our company's mission statement, the situation and SWOT analysis, company objectives, and how we segmented the market. This document describes our target market strategy along with our target market. The marketing mix, which is product, distribution, promotion, and price, is also well explained. The final major point in this marketing plan is implementation, evaluation, and control.

Business Mission

Our mission is to deliver an affordable means to projects desired by our customers, whether those projects involve repairing, restoring, or installing. We are committed to focusing

our efforts on superior workmanship, while displaying our strong work ethic, dependability, and dedication. We strive to meet, and exceed the standards our customers expect.

II. Situation and SWOT Analysis

Market Summary

The World today is a busy one, and everybody enjoys the conveniences that are offered. Everyday new technology and new companies are being implemented to make life easier. An example of newer technology would be cell phones. No longer do people have to be at home, at work, or at a payphone to make a call. We have the convenience of making calls where and when we want to. Businesses are following that same trend. They are growing and now offering conveniences that make our life easier and less complicated. Consumers can now shop for groceries, home needs, electronics, jewelry, landscaping needs, clothing, and toys all at the convenience of one location. The businesses that offer these kinds of accessibility are very profitable. We, Mr. Fix It Inc., have essentially focused our attention on this concept to maximize profits. By only focusing our efforts in one part of this industry, we are not capitalizing on the market. By expanding to all aspects of home/business repair and restoration, consumers will see Mr. Fix it Inc. as a convenience and therefore, utilize our services. Consumers will embrace the idea of a company that can rectify the situation no matter what the problem consists of.

Service Offering

Mr. Fix it Inc. is an inexpensive way to fix costly repairs. We also offer restoration and remodeling. Because of the status of the economy, our efforts will be focused on repair, for the time being. We staff multiple certified technicians in plumbing, electric, and construction. Our

technicians are not paid by the job, like our competitors. They all are guaranteed forty hours a week at a good wage. That guarantee allows us to pay our employees less than what certified technicians in that field are rated to make. Our employees are completely satisfied with their wages because of our guarantee. Paying a cheaper wage to our employees allows us to offer better prices than our competitors. Our service rates cannot be beat.

Competitors

Competitors in this industry range greatly from small one man operations to large organizations with several strategic business units (SBUs). Competitors in this field tend to focus on one aspect of the market. That concept can be a positive or a negative in the eyes of the consumer. The positive side to the consumer for our competitors is they look like experts in that particular field. If the competitors only focus in one area, the consumer thinks they must have mastered that one area. Consumers might also see this as a negative. If the customers have more than one issue or want another task completed, our company provides them with that convenience.

Image

Our business will portray as a friendly, cost-effective, and convenient way to service the issues of our customers. Our simple company name in combination with our slogan is an easy way for our target market to remember our company when an issue arises. By placing a simple toll-free number, our friendly staff will be able to guide them through the necessary steps to help them resolve their issue.

SWOT Analysis

This section covers the strengths, weaknesses, opportunities, and threats (SWOT). This synopsis of our company will cover the internal and external pros and cons for the business.

Strength

- Cost competitive advantage
- Service differentiation competitive advantage
- No production cost
- Market oriented business

Weaknesses

- Overstaffed organization will burden profits
- Financial resources for start-up cost are limited

Opportunities

- Recession will enhance business
- Housing market is made up primarily of foreclosures (fixer-uppers)
- Large market segment

Threats

- The economy boosts, and consumers don't care about saving money
- Established company adopts same competitive advantages
- Economy status: Depression

III. Marketing Objectives

The marketing objectives are to establish Mr. Fix It Inc. in the market as a serious competitor in the industry, to make consumers aware of our services, competitive advantages, and benefits offered that will in-turn lead to an increase in market share and a 20% increase in revenue by the end of the fiscal year compared to projected sales.

Mr. Fix It Inc needs to be established in the market. With a proper promotional mix we should be able to market ourselves in the industry as a threat to our competitors. Utilizing our excellent marketing department, we should be able to point out the companies benefits offered as well as the attributes that sets us aside from our competitors. By accomplishing these tasks, the outcome should be a remarkable increase in sales. Trying to surpass our projected sales by 20% should be a realistic accomplishment.

IV. Market Segmentation

When segmenting the market we used several variables to properly divide the market that best met the criteria for successful segmentation. When segmenting the market we ensured that substantiality, identifiability and measurability, accessibility, and responsiveness were factors of every segment used (Lamb, Hair, & McDaniel, 2011).

The best segmentation to divide the market for our service was demographic segmentation. Within that segment, we used several variables to further identify and specify our market segment. Segmenting a market for a service for home repair, restoration, and/or installation means that owning a dwelling is crucial for us to properly segment that market. The first variable used was age segmentation. Consumers that will utilize our services will more than likely be middle-aged. The average first-time home buyer is thirty-three (Eisenberg, 2008). Thirty-three being the average age a consumer purchases their first home probably holds some truth when referring that fact to all dwellings that are owned like apartments, condos, and townhomes. It would be appropriate to speculate that anyone that is the age of twenty-five and up could be potential customers. This variable definitely has the four characteristics for successful segmentation. The second variable used was income segmentation. Consumers that

own a home or dwelling have a certain income obligation that must be met. Owning dwelling is much more expensive than renting. The average house hold income is about \$73,000 for homeowners (Eisenberg, 2008). The appropriate income segmentation to use for this market would begin at about an annual income of \$60,000. Again, this variable meets the four characteristics for successful segmentation. Lastly, the third variable used to segment the market was family life cycle (FLC) segmentation. Consumers that are 25 years of age or older and make \$60,000 a year or more don't necessarily own their own home or dwelling. Some consumers might wait until they reach a certain stage in their life, like marriage and/or children. While others might not meet the income requirements until they reach a certain stage in the FLC, like marriage. The combined income of marriage might be required to afford the luxury of home ownership. Using multiple-variable segmentation has enabled Mr. Fix It Inc. to pinpoint our market segment for our service.

V. Target Market Strategy

Out of the three basic target market strategies, our company chose undifferentiated targeting strategy. We came up that decision by process of elimination. Multisegment targeting strategy involves serving more than one market segment. Our company is new and needs to establish its place in the market. For that reason, our focus at this time will be strictly on the market segment previously mentioned. Concentrated targeting strategy is an advantage for those companies who have a more defined market segment. Our market segment is large and our services will serve the needs of many, therefore concentrated marketing was not a good option for our strategy. Undifferentiated targeting strategy is when a company uses one common marketing mix to serve the needs and wants of the entire market. Our service offerings, as

mentioned before, will meet the needs of a less specific market segment (Lamb, Hair, & McDaniel, 2011).

Target Market

When selecting a target market, Mr. Fix It Inc. utilized our analysis from segmenting the market as well as our target market strategy. The combination of those two sources automatically produced our target market. Mr. Fix It Inc.'s target market is home owners. More specifically, people over the age of 25 with a minimum annual income of \$60,000.

VI. Marketing Mix Strategy: Product (Service)

Mr. Fix It Inc. is a company with the capabilities to solve almost any and all issues for the consumer that seeks home/business repair or restoration. We offer a possession processing service. Our services include what would be expected from any other service in this field. The difference is our service mix is much more extensive. Most repair or restoration jobs must involve a smorgasbord of different trades to adequately accomplish the job. To repair a leak in a wall, a plumber and a carpenter are needed. The plumber will fix the leak and carpenter will repair the wall. To install a 210 volt outlet for an electric dryer to replace a gas dryer the same situation comes in to play. The electrician is needed for the install of the high powered outlet and the carpenter to repair the wall back to its original state. Mr. Fix It Inc. employs certified plumbers, electricians, and carpenters. In general, our services performed would include, but are not limited to the following:

- The installation and repair of pipes and associated equipment used to carry water, gas, sewage, and wastewater.

- The installation, operation, repair, and maintenance of electrical components, systems, or devices.
- The installation and repair of house hold items. Examples include: windows, doors, walls, and floors.

The only services that we do not offer, at this time, are large and time consuming jobs such as building houses, or removing mold. Requests for jobs that will take more than five days to complete will likely be turned down. Mr. Fix It Inc. staff is limited and cannot be tied up for long periods of time. As the company grows, these restrictions will be lifted. Our services include a supplementary service which is a free in-home consultation to explain to the customer what the job entails, and what the estimated charges would be for the work requested. Each job request will be tailored specifically to the needs of the customer, and because every request will be unique, Mr. Fix it Inc. cannot offer a standardized service, instead every job is customized.

VII. Marketing Mix Strategy: Place/Distribution

Mr. Fix It Inc. is a new independent retailer that currently has one outlet located in the twin cities in Minnesota. Our office is located in Robbinsdale. We chose that location because of its proximity to our target market. The location makes it convenient for us to service most areas of the twin cities area, as well as the surrounding suburbs in a prompt timeline. At that location we have easy access to I-94, I-35W, I-394, and other major roads and highways that run through the twin city area. At this current time, we service a twenty-mile radius from this location depending upon availability of technicians. As the business grows we will increase our number of outlets to gain access to more of our target market. This effort will make distribution of our services easier and more widely disbursed.

Our distribution strategy utilizes both direct and indirect channels of distribution. Potential customers can call us directly for services they require. The customer will place a toll-free call to our location where a customer service representative will assist the needs of that caller. The customer service representative will document the necessary information from the customer to pass on to the technician. The customer service representative will then schedule a free in-home estimate that is convenient for both the customer and our organization. Once the in-home estimate has been completed and the customer is aware of his or her options, we will offer to perform the service on the spot or schedule for a later date at the customer's request. Our indirect channel of distribution is very similar to our direct channel of distribution. The only difference is instead of dealing with the customer directly, we work with intermediaries, such as American Home Shield and other home warranty companies. Customers who utilize home warranties will schedule the work through the warranty company. In these situations the customer will call their warranty company and place a request for services needed, such as leaking pipes or faulty wiring. The warranty company will then search the surrounding area for the most convenient and/or cheapest licensed company to correct the issue. Once that company is located, the home warranty company will place a service request through the company of their choosing. The warranty company serves as the intermediary. Because the customer pays the warranty company a predetermined amount based on their contract, the company chosen to perform the work does not deal with the customer except for scheduling purposes. Once the work has been completed, the company that performed the work bills the warranty company for payment. Mr. Fix It Inc. is also in the process of adding another channel of distribution. In the near future, customers will be able to place service requests online to increase accessibility and offer other means of communication to our customers.

VIII. Marketing Mix Strategy: Promotion

Mr. Fix It Inc.'s promotional mix is a combination of advertising, public relations, and sales promotion. Personal selling is not a part of our promotional mix because our service offerings are too specific to each individual customer. It would not be feasible, or cost-effective to utilize that aspect of the promotional mix. Public relations are the part of our mix that we anticipate struggling with. Attempting to contact the local media so that we may get the opportunity to portray our image to the public is a hit or miss situation. We will not be relying on this to be a definite source of promotion. In the advertising realm, Mr. Fix It Inc. will use an institutional advertising approach. Rather than promoting our services, we want to enhance the image of our company and make Mr. Fix It Inc. known in the market place. Being new to the market, and low on advertising funds, we plan to get the message across to our target market while being cost-effective. The United States Post Office is the perfect medium to accomplish this task. Through direct mail, we can send a post card to every address in a zip code for as little as \$80 per zip code. To reach our entire desired area, as discussed in section VI, our total cost for advertising in this manner, including the cost of the post cards themselves, will be less than \$15,000. We found that this will be the best way to pass on our advertising appeal, while keeping cost per contact low. We are going to utilize a flighted media schedule to disburse post cards to every house. On the post cards will be our company logo, company slogan, contact information, basic information about the company, and a simple message to get our company image known and remembered by the consumers. Using profit as an advertising appeal, the message on the post card will say, "The company that does it all, for less!" Finally, the last aspect of our promotional mix will be sales promotion. To stimulate customer purchase Mr. Fix It Inc. will have an attached coupon on the post card for 20% off any service of \$299 or more. The attached

coupon to the card will entice the consumer not to dispose of it, and will help the consumer remember our company when they require services (Lamb, Hair, & McDaniel, 2011).

IX. Marketing Mix Strategy: Price

When determining pricing objectives, Mr. Fix It Inc. decided to use the status quo pricing objective. There are three main objectives to choose from. The first one is profit-oriented pricing objective, which are objectives using profit. We cannot base our pricing objectives on profit simply because our company's image is cheap repairs. Choosing that objective does not fit with our overall goals for the company. The second type is sales-oriented pricing objective. These objectives are based on market share or sales. Being new to the market place, market share and sales would not be a realistic objective to set for the company. Status quo pricing objectives are to maintain or match competition pricing in the industry. In our case, we intend to beat our competition's pricing. Status quo pricing objectives are the best type of objectives for this company to use. When determining pricing strategy, we continued with that same philosophy and chose status quo pricing, which is essentially the same concept as the pricing objective. The idea is to beat our competition or at least match their pricing. The suggested tactic for status quo pricing is flexible pricing. That is not how we are going to operate. Mr. Fix It Inc. is going to use a single price tactic. Single price tactic is offering services at the same price. For this company, depending upon what services the customer will be utilizing, there might be a few different prices. An example would be a plumber job for two hours would cost more, to the customer, than a carpenter job for two hours. The prices will vary depending on the technicians required. Other determinates for pricing would consist of competition. In our marketing efforts, we will have to monitor our competition closely to ensure that our rates are in line with our competitors. In

addition, the pay scale for technicians varies greatly depending on location. As our industry grows and the number of offices for Mr. Fix It Inc. increase, we will adapt a more flexible pricing tactic to match or beat the competition's pricing in that area. The fluctuating rates of natural resources such as copper, is another determinate in pricing (Lamb, Hair, & McDaniel, 2011).

Calculating costs for our services are complicated. There are many factors that play a role in the overall charges to the consumer. Such factors include: the hours involved in the services performed, the materials needed to accomplish the service request and current rates on those materials, the distance to the location where the services will take place, and the current hourly rates for the technicians required. Essentially, we will operate similar to an auto mechanic shop. We will have a manual created for each craft, with a list of common services performed and the average amount of time it takes to complete that service. Materials needed to complete each service will also be listed. The hourly rate our company will charge consumers will be at least 10% less than current competition pricing. The wide range of variables make it impossible to provide any type of accurate pricing charts or tables at this time. As this plan is implemented, these charts will be the last to be constructed to ensure updated and accurate information.

X. Implementation, Evaluation, and Control

Implementation

There is a series of events that need to transpire to ensure that this plan is set into action. The first step is to communicate this plan to all members of the company and to ensure their understanding of our objectives. Once everyone is abreast to the situation, detailed jobs will be delegated to the appropriate parties. The marketing department will be designated to start the

promotion process so that the company can develop a status in the market. The technicians will be instructed to create the manuals for common services in their particular craft. Customer service representatives will be designated to help in the creation of these manuals to create an electric copy, and to increase their knowledge in the industry. During this time, basic materials used for services will be ordered and then stocked in our warehouse. Once the promotion process has been implemented and the manuals have been created, the customer service representatives will create pricing charts with current data and research competition pricing. Once that task is completed, we will be ready for business.

Evaluation and Control

The next step is to evaluate this plan for possible improvements or changes that need to be made to ensure optimal performance. This will be accomplished approximately ninety days after we are in business. This trial period will be long enough to gauge if the company's objectives are in the process of being met, or if adjustments are required. Once it has been established if we are on track with our goals or not, a form of control will be adopted. We will create a systematic way to assess marketing results and to ensure we stay on course with our company objectives. If we conclude that we are not on schedule with our objectives, a marketing audit will be the next step of action. The results from the audit should give us the information needed to allocate the problem and correct the issue (Lamb, Hair, & McDaniel, 2011).

XI. References

- Eisenberg, E.F. (2008, January 23). *Characteristics of first-time home buyers*. Retrieved February 19, 2011 from: <http://www.nahb.org/generic.aspx?genericContentID=88533>
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