



A marketing service company for small businesses and startups

One marketing service provider that makes marketing teams reliable and accessible at a convenient price. **MERKATUS** offers a community of experts that will work as the remote marketing department for small companies so that they can benefit from the work of a complete team that adjusts to their growing needs.

Strategic Guidance

Event Planning

Public Relations

Web Design

Social Media

Advertising

PRICE

Because this company hires freelancers; which means it's commission-based. The company intends to attract more of the target customers by proposing a lower price point than other marketing companies in the market.

Marketing service provider for small businesses and startups. Offering expert advisors and developers in different marketing services like Strategic Guidance, Advertising, Social Media, Web Design, Public Relations, and Event Planning.

PRODUCT

PROMOTION

We are the perfect equilibrium between the flexibility of hiring freelancers and the quality and commitment of hiring a marketing agency

Companies can get in contact with **MERKATUS** through our company's web site. And depending on the marketing strategy they are looking for then **MERKATUS** links the company with freelancers.

PLACE

TARGET CUSTOMER

StartUps 1-20 Employees
Lone Expert - Individual (Youtubers, influencers)
Tradition 10-50 Employees

San Jose State University

MERKATUS
Marketing Services

Brian Huynh, Khang Phan, Francine Li, Milena Orellana

BUS2-130

Heidi Eisips

December 14, 2020

MERKATUS

“Gather your marketing team and get it done.”

A marketing service company for small businesses and startups.

One marketing service provider that makes marketing teams reliable and accessible at a convenient price. MERKATUS offers a community of experts that will work as the remote marketing department for small companies so that they can benefit from the work of a complete team that adjusts to their growing needs.



Executive Summary

The purpose of this report is to describe our team's hypothetical company, the context in which the company operates, a competitive analysis, and the company's marketing plan describing its marketing mix. As a team we decided to create a company with a rather different approach from the traditional marketing service. Our company proposed value falls into being an intermediary between small business owners and startups, and marketing specialist freelancers that will offer their knowledge and capabilities, and take control of the company's marketing department. By outsourcing their marketing, businesses can benefit by paying low rates and having well-prepared marketing specialists. The report describes the cultural context that the company works on considering political, economic, technological, and social circumstances. We will also go over how the company becomes competitive in the market by identifying strengths and weaknesses, and analyzing the threats and opportunities that may present. Lastly the report also includes an analysis of the company's marketing mix. Identifying the company's product/service value proposition, the intended price, the form of distribution, and the promotion that will help the company develop.

Mission Statement:

We provide the amazon infrastructure for marketing services. Users sign-up, chat with experts, get a custom marketing strategy, and are matched with a curated team of marketing experts that act as their marketing department. Our self-serve platform comes with a 7-day free trial and provides access to a marketing hub for \$99/m. Our strategists create the proposal based on the customer's budget and needs and can get a team up and going within 72 hours of the request.

The Business

I. SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none">• Provider perspective: offers more opportunities to freelancers to provide high quality marketing /team services to small businesses.• Receiver perspective: affordable than hiring actual marketing experts• Offer multiple marketing services like Strategic Guidance, Advertising, Social Media, Web Design, Public Relations and Event Planning.• Middle man in between freelancers and businesses, and we communicate between the two sides.• 3 level of subscription and also offer free-trial for the first 7 days	<ul style="list-style-type: none">• New company entering the market: risk, build up trust with companies & freelancers, and reputation for the company.• Management aspect, internal and external factors. Ex: commission based for freelancer, clear and throughout communication to avoid conflicts.• Tight budget on hiring freelancers, engineers and UX/UI developers; but at the same time needs to provide efficient services.• Promotion problem: how to promote high quality services while it's a new company under a tight budget.• Requires good leadership skills to manage and communicate between all departments of the company.• Loss of talent to competition or inability to recruit new freelancers to cover demand.• Management would have little control of service quality.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none">• Increased interest of outsourcing departments for a company. Businesses are more inclined now to contract a separate entity who specializes in a certain area, like marketing, advertising, inventory, etc, to take control over those departments.• Working with experts, fresh perspective and ideas. Freelancers will be people who are specialized in the specific area that the company is looking for help• Social media would be an easy way to attract more customers.• Constant innovations in systems, trends, and softwares, allow our team of freelancers to be prepared for any customer needs.• Experienced professionals will be offered to work with customers.• Targeted to small businesses and startups, which is not a usual targeted customer for other marketing services companies.	<ul style="list-style-type: none">• Companies choose to create their own marketing department because it will make them save money, or they want people working uniquely for their company.• Increased competition in marketing services businesses.• Small businesses and startups decide not to invest in a marketing department since business is barely starting.

II. PEST

P	<p>a. Political</p> <p>The company creates opportunities for others to collaborate with in turn creating a social standing in the business world. This standing will shift into political observations. Merkatus allows companies worldwide to connect which brings the nations together and ultimately aiming to create the best business models in its respective industries.</p>
E	<p>b. Economic</p> <p>Recently, there have been many economics struggles due to COVID-19 and the pandemic it has caused. This pandemic has made businesses pause and many small businesses to go bankrupt. With the utility of Merkatus, we are allowing other like-minded companies to connect and plan how they would rebound from the effects of this pandemic, or other ways to strengthen their businesses through networking which is vital during a pandemic.</p>
S	<p>c. Social</p> <p>For right now, the company does not have a lot of attention from Social Media. Especially its structure is relatively new to the business world. The company needs to be more active in branding and reach out to the freelancers community and small businesses. Publishing related to marketing contents and interacting with journalists in the industry will hopefully gain more attention from people. Using Podcasts is also a way to invite freelancers to join the company.</p>
T	<p>d. Technological</p> <p>Since the company is using a platform to provide Businesses with services and freelancers with jobs. The platform will need to be well designed and highly maintained. Therefore, the costs of hiring engineers and UX/UI developers will be the most expensive cost in order to launch the product. On the other hand, the company will need to have a website that can attract people and keep them interested in working as freelancers.</p>

Market Segmentation

Our goal is to leverage product as the key channel to marketing. For customers, we want to focus on viral effectiveness that forces users to share it with others. For Businesses, we want to educate people such as marketers and business owners MaaS (Mobility as a Service) and introduce them to the products that we are offering.



We identified MERKATUS targeted customers, and separated them into different categories. We are focused on targeting venture capitalists, marketers, and business owners. The venture capitalists are people located in San Francisco between the ages 25 and 55. Their main goal involving themselves in this type of business is to gain a high return of investment. This makes them very sensitive to any investment decision that the company makes. The next type of targeted person is marketers, who are located in San Francisco between the ages of 22 and 37. These marketers are looking to get involved in lucrative and rewarding marketing activities so they are very open to flexibility and new opportunities. And lastly we are targeting business owners, they are also our main clients, since they are businesses located mainly in Silicon Valley. These businesses people are looking to invest in marketing resources at a low price. They are very sensitive to prices since they are hoping to get the best services at the lowest rate.

Competition

Existing agencies based solutions placed such a high importance on their brand while lacking transparency in their process that it drives up the price while creating both a perceived and real barrier to entry. The answer to that was a marketplace solution that is handicapped by being a time-intensive option, significantly hampering its efficiency and scalability. Hiring full-time employees is an alternative to working with freelancers and agencies. However, employees require office space, equipment, insurance, payroll taxes, benefits, and other costs beyond their salaries, and these resources aren't flexible. Many platforms have done an excellent job of addressing pricing issues while not limiting efficiency, flexibility, and transparency, such as Wethos, HelloMaas, Mayple, and SharedTeam.

MARKETING PLAN

Product

Merkatus will provide a Platform to connect Business and Freelancer quicker and cheaper than In-house and Agency. The platform will allow businesses to choose the services that we offer like SEO optimization, brand creations, website management, and social media optimization, etc. Our company will develop the AI system to curate the most suitable freelancers team for the marketing package and start the project in 72-hours after the payment is processed.

Price

Merkatus charges a \$125 monthly subscription fee for basic membership to our platform and provides managed marketing teams at \$65/hr. However, the \$125 month package is most suitable for influencers and individual marketers rather than startups and small businesses. Therefore, we estimated that small businesses will spend more on our package thus we also provide packages of \$1250/month for small businesses and \$3500/ month for startups.

Our Price: (based on the price of SharedTeam)

3 levels of subscription

\$125 a month

- Unlimited strategic guidance (SharedTeam is limited hours)
- 0-15 project hours
- 0 hrs included

\$1250 a month

- Unlimited strategic guidance
- 15-50 project hours
- 15 hrs included

\$3,500 a month

- Unlimited strategic guidance
- 50-100 project hours
- 50 hrs included

We will profit from this by taking away 18%-25% fee from monthly spend and Businesses will pay \$65 an hour of work.

Our prices are cheaper than In-House Agency due to the way we operate. For the prices of hiring a core marketing team in Bay Area, a company need to pay Estimated salary for each role:

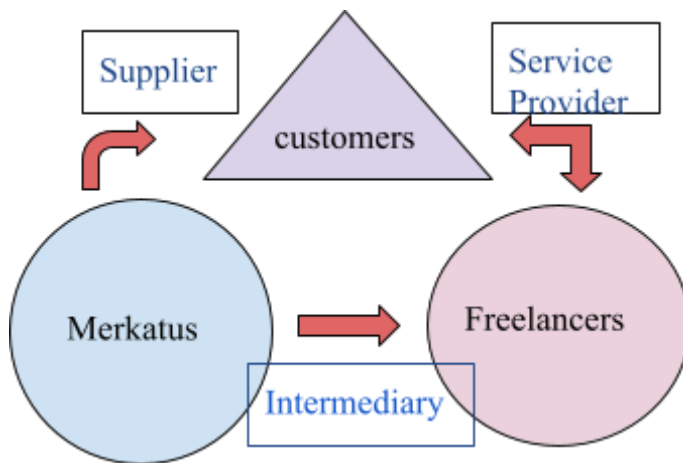
- Marketing Strategist/VP of Marketing - \$150k
- Paid Advertising specialist - \$90k
- Social Media/Event manager - \$90k
- Designer - \$85k
- Copywriter - \$85k

Place

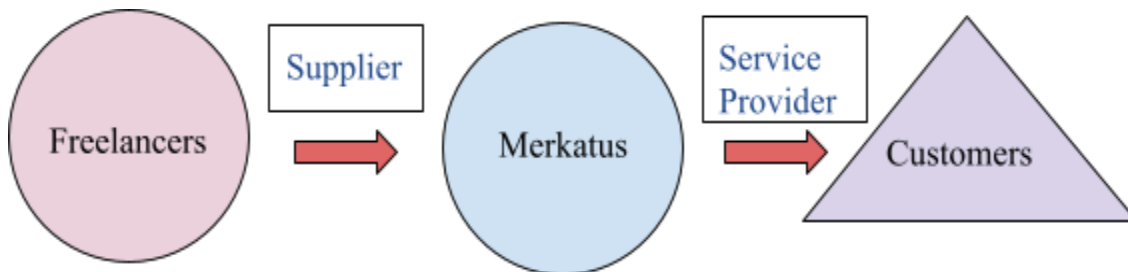
For Merkatus, which is a marketing service agency that works as an intermediary agent between marketing freelancers and our target customer. We have identified that marketing intermediary is the type of distribution channel that best fits our company. With a marketing intermediary approach, our company performs as a middle-man that connects two subjects to help market their products. We have identified our targeted customers and our suppliers. For our targeted customers, is strat-ups and small businesses, which don't have a marketing department and are looking for outsourcing at the lowest price possible. And our suppliers will be freelancers who specialize in different marketing areas. We gather freelancers by using channels like Slack, Podcast, and social media. Once the freelancers apply to our platform, we will schedule an interview to see if the freelancers meet the requirements or standards to be able to complete assigned projects. On the other hand, businesses can chat with our marketing strategists and

customize their own unique marketing packets on the platform. After 72 hours, the project will be assigned to a team with approved freelancers.

1. **Marketing Intermediary:** when Merkatus acts as an intermediary agent, we're the connector and provider for target customers while the freelancers are our supplier. The pros of the model would be more beneficial for customers since it's more relationship-based and trust for the company. However, this requires more time and energy for Merkatus.



2. **Indirect channeling:** When Merkatus acts as a service provider for customers, Freelancers is a service provider for Merkatus. Pro of this model would be business-oriented, customers would come into the company with an agenda; and we would get the job done. The Con of this model would be not much relationship building.



***Sidenote:** Two methods of distribution were proposed; which is indirect channeling and marketing intermediary. The Pros and Cons for the two methods are compared; thus marketing intermediary is more beneficial for us.

Distribution & Sales

Marketus will sell directly to B2B like small businesses and startups, and B2C like individual personas like influencers or marketers. Marketus will use social media to create brand awareness. We will also create case studies to generate more leads and prospects through user experiences. On the other hand, Marketus will focus on producing the contents that help users' onboarding like platform tutorials.

Promotion

For Merkatus, the use of direct communications is best in promotion to attract both businesses and freelancers by using direct mail and direct response online advertising. Our objective is to create awareness of the new horizontal working structure and stimulate the demand of using the platform for marketing strategies instead of in-house agencies. For creating awareness, we first need to join the freelancer communities and introduce them to the website and explain how the company will overtake other agencies. For example, we can use podcasts and social media for it. For businesses, we need to promote the difference between the membership prices and the quality of products compared to other competitors. There are no sales promotion needs but we will need testimonials from clients in order to promote our platform. For Freelancers, we need to show them how easy it is to use the platform and guarantee that a project will be assigned after signing up.

PR

Social media

- Leaders should publish relevant content on LinkedIn twice a month.
- Interact with accounts of journalists in the industry, competitors and potential users as well. Dedicate an amount each day for this action.
- Create Social Media Guidelines so every member with access is on the same page.

Freelancer stories

- Content created around employees, their experience on the company or sharing relevant information they are knowledgeable about.
- Creation of a series where each month, different employees answer questions that can be taken from polls followers answered.
- Reviews
- Create a part on our website for reviews on our services.

- The creation of reviews can be tied up to the Rewards program.
- Webinars, video, podcast
- Create content around helping businesses owners have knowledge and tools for creating their marketing strategies.
- Help us become an influential leader on the industry.
- Partner up with guests who have expertise on the different topics we talked about.

Advertising

Podcasts

Run ads on facebook and instagram.

Product demo and tutorials on the website.

NEXT STEPS FOR MERKATUS

After analyzing the context where Merkatus will develop, the company's competitive analysis, and the company's marketing mix we identified what would be the company's next steps. While considering the SWOT analysis, the main focus we will have to take as co-founders of Merkatus is address our threats and mitigate our weaknesses. One of the main actions our company should take is to put our name and service to the disposition of targeted customers. It's crucial to put our name in the mind of our customers and a way to do it is through advertising and marketing strategies. With different tools like social media, email marketing, and others, we are able to create awareness of our company and services. That could mitigate one of our weaknesses, which is having a little presence in the market.

Another important step would be to create business proposals ideal for our targeted customers. Since we are working with small businesses and startups it is essential to capacitate our freelancers in offering services ideal for these types of businesses. Educate our customers the need of having a capable marketing team on their side, explain the benefits of having strong marketing for the company, why it is important to invest in these types of services, and how good marketing can help the company in meeting goals.

Lastly, a very important next step that our company should take is create a strong freelancers community for Merkatus. Since the value proposition of our company is the advantage of working with marketing specialist freelancers. Our customers expect top quality service and marketing knowledge, and because freelancers who they are working with the price is much less than to get marketing services through an agency. We consider it essential to gather specialists in SEO optimization, brand creations, social media and website management.

Works Cited

Boone, L. E., & Kurtz, D. L. (2019). *Contemporary marketing*. Cengage Learning.

On-Demand Marketing Services for Small Businesses. (2020, December 09). Retrieved from
<https://sharedteams.com/>

Weedmark, D. (2019, February 01). 4 Types of Marketing Intermediaries.

<https://smallbusiness.chron.com/4-types-marketing-intermediaries-24330.html>