



AeroMobil Flying Car Marketing Plan

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Project Group 3

Executive Summary: *Mason & Joné*

The purpose of this marketing plan is to help define and analyze our targeted market, specifications of how we should allocate resources, and explore different viable marketing strategies. AeroMobil is a Slovakian company that designs and manufactures a transformable flying-car. Currently, the AeroMobil 4.0 is set to launch at the earliest 2021 and latest 2022. A main priority of our company surrounds prioritizing the importance of protecting the environment while still implementing top-of-the-line safety, power, and a sleek exterior. With our company focusing on these key features, the starting price reflects the innovation and quality of the airborne vehicle. At the moment, only a small portion of our targeted customer group can afford to pay this initial price. However, with AeroMobil exploring such an untapped and unfulfilled market, the company can potentially see a larger profit margin.

Even though this is a pioneering industry, AeroMobil does have four major competitors who have the same goal of creating a flying-vehicle. Our vehicle's distinguishing features help to set it apart from the competitors. In terms of recognizability, AeroMobil is not as well-known as some of our bigger competitors, such as Tesla. However, we hope to build our brand loyalty through implementing this unique and well researched marketing plan. Due to our lack of customer loyalty and brand recognition we have to rely more on enticing the innovator and early adopter groups in the diffusion of the innovation process. Since we are not a house-hold name yet, we have to pique the interest and excite our potential customers through stimulating and exciting advertisements. Our target demographic centers around people with a higher financial standing who also value more luxurious amenities. Their behavior reflects their desire to maintain a prominent social status through buying the most sought after items on the market. Due to the uniqueness of our product and the newness of the target market, we are mirroring Tesla's marketing strategy to launch the marketing efforts for the newest AeroMobil products. The biggest obstacle facing our company is finding the balance between luxury and obtainability. We need to utilize various platforms of research in order to maximize both of these aspects without sacrificing status.

The 5c analysis is a marketing framework that helps to define how a company captures value. Within this analysis, we define our company objective as customer-oriented pricing, which sets the price according to the target market's income elasticity. Because of how

unprecedented our product is, we qualify as a prestige product where the status of the product is defined by the price. The overall price of the product can adjust based on the amount variable costs which includes interior customization options. From a competition standpoint, it would be fair to describe it as oligopolistic because of the limited number of sellers and the ability for the market to be dominated by only a few firms. Because we sell and manufacture our own products, it is not applicable for us to define any channel members. We have chosen to employ a direct marketing method in order to maintain a direct line of communication between our personnel and the customer. When marketing in such a complex and new environment it is important to use various communication channels that cooperate with each other. This approach to sales and marketing is known as an omnichannel strategy. The two main channels in our omnichannel strategy is accessibility to our website and the quality of our in-person interactions. These are just a few of the several unique and complex factors that we considered when creating and implementing this marketing plan.



Figure 1 AeroMobil(2020).Picture

Company Overview: *Mason & Joné*

AeroMobil is a leading pioneer in the world of developing and commercializing flying cars with a vision to liberate personal transportation from being ground-bound to airborne. “AeroMobil develops the most flexible, capable and efficient range of personal aerial vehicles (PAVs) designed for door to door travel in intra and inter-urban environments” (AeroMobil, 2020). We are motivated to reduce traffic congestion and pollution emissions while keeping the product extraordinary, efficient and exciting. Stefan Klein created the idea of a flying car when designing his thesis at the Academy of Fine Arts and Design in 1990. From 1990 to 2010 he developed most of the components by himself. During those years he created two concepts of AeroMobil, the first concept was non-transformable which led him to push his abilities in creating the second prototype which was transformable. In 2010 Juraj Vaculik and Stefan Klein officially co-founded AeroMobil, the company. In 2013 we experienced our first successful flight on a short take-off and landing model, the AeroMobil 3.0. Currently, we are preparing for the official launch of the AeroMobil 4.0. AeroMobil headquarters is located in the capital of Slovakia, Bratislava. The town is surrounded by beautiful vineyards and the Little Carpathian Mountains. Our team of executives consist of a dozen uniquely qualified professionals from a wide range of specialized fields in both aviation and road transportation industries. Some of these individuals have worked with brands ranging from Alpha Romeo to Aston Martin.

Objectives/Goals: *Mason & Joné*

AeroMobil strives to “satisfy the dream of designing and building the world’s first commercially available flying car which can legally drive on the road and fly” (AeroMobil, 2020). Our company's mission statement centers around providing an extraordinary, efficient, and exciting product for our customers. AeroMobil also focuses heavily on combating the prominent environmental situation surrounding traffic pollution. To do this, we have developed a hybrid engine that will help alleviate the air pollutants of both aircraft and cars alike. In conjunction with our company’s focus on the environmental impact, we are also considering how the distribution and usage of our product can help ease the intense traffic situation many metropolitan areas face. The features that make AeroMobil 4.0 extraordinary is its innovative operating range and overall automotive power. What sets AeroMobil apart from competitors is

the overall level of expertise from our team, which ranges from advertising to experience with major car brands such as Alpha Romeo, McLaren, Fiat, and Aston Martin. We also plan on maximizing the potential efficiency by emphasizing the importance of stable controls and safety. As a company, we also aspire to create an exciting experience by utilizing innovative and creative features as well as pushing the limits in the vehicle's overall performance. We plan to reach and appeal to middle-aged individuals in an environmentally conscientious market who strive to push the limits of what a personal vehicle could be.

Situational Analysis: *Mason & Joné*

Strengths:

AeroMobil has a “world-class team of highly experienced automotive and aerospace experts with many PhDs and pilots” (AeroMobil, 2020). The advisory board is filled with well-known names in motorsport and the luxury car development field ranging from Aston Martin to



Figure 2 AeroMobil(2020).Picture

the McLaren. Our focus is on being environmentally conscientious without sacrificing the importance of safety and power. The hybrid style engine would allow our vehicle to help reduce the amount of hydrocarbons and other pollutants associated with a standard gas or diesel engine. AeroMobil 4.0 has advanced safety features such as a unique glass cockpit system that has a display similar to that of the aviation field. Furthermore, our “advanced optimization and analysis techniques have delivered a vehicle that, when airborne, demonstrates stability and predictability, and which has a flight envelope that is comparable with existing standards in the field of general aviation” (AeroMobil, 2020).

Weaknesses:

AeroMobil is very focused on successfully launching the first flying car; however, this is our only focus. No other product or service is being offered to bring in various forms of revenue. Furthermore, AeroMobil was created in 2010 but the commercial launch is expected to be in late 2020, and at the latest in 2030. Another weakness is that the market is relatively small due to the fact that in order to operate a flying car, you need both a license and a pilot's license. The most

prevalent weakness the company faces is the price associated with a breakthrough and highly awaited product such as the AeroMobil 4.0. This price can, at the moment, only be afforded by a small percentage of our targeted customers which only decreases the amount of people we can market towards.

Opportunities:

AeroMobil is exploring an untapped market with the potential for a large profit margin. There is a need for this market, however it is relatively complex therefore there is limited competition. AeroMobil is one of four companies who have the funds, the expertise and motivation to be pioneers. Since the creation and possible manufacturing of flying cars is a huge step forward in technology and automobiles, there is lots of positive media coverage. AeroMobil has the potential to be a household name rivaling Ford and Tesla.

Threats:

While being present in the news media, AeroMobil is still not as notable or recognizable as some of our competitors. Because other companies are more notable and recognizable their new customers already have a sense of trust in the company, which is something AeroMobil is lacking. There are four major companies with the exact same goal in mind, but it comes down to whoever can produce a working product first. A prominent problem within the targeted market for the AeroMobil 4.0 is the unknown territory and overall public safety concerns. The lack of regulation surrounding potential speed limits, parking, and global warming can be a major obstacle that we need to overcome when marketing the car. The idea of regulating airborne vehicles is uncharted territory and will require lots of research and trials before it can be perfected. Another issue that needs to be addressed is the potential hazardous flying conditions of the different altitude levels. With so many airborne vehicles, the probability of birds getting hit increases if the flying automobile doesn't travel at a lower level than birds fly. Furthermore, any personal vehicle traveling at a higher level of altitude, could have a significant impact on national security. With commercial airplanes and military flight instruments designating a specific range of altitudes, it is not a viable option for AeroMobil 4.0 to have free-range of the sky. These two aspects could pose a potential public relations nightmare that our company may not be equipped to sufficiently handle.

Product/Market/Customer Analysis: *Mason & Joné*

Product Analysis:

The AeroMobil 4.0 has many distinguishing features that sets it apart from competitors. These features include, but are not limited to, an adaptive flight control which makes take-off and landing more of a fluid process, and advanced controls in both flight and drive mode. Furthermore, AeroMobil prioritizes the passengers safety by ensuring state of the art airbag systems and new pyrotechnic seat belt technology. The vehicle also is equipped with a recovery airframe parachute system for added in-flight safety. Due to the unique glass cockpit system, the AeroMobil 4.0 has a seamless transition going from road to flight in three minutes. The digital display in the cockpit also relays the seamless transition by representing a regular dashboard of an automotive vehicle when in drive-mode, and a display that rivals that of the aviation world while in-flight mode. As a company, one of the highest priorities when it came to the functionality of the flying car is the aerodynamics, which not only translates in the body style but also in the uniquely retractable wings and landing gear. The compact design allows for the most efficient use of space and maintains its sleek design without exceeding size capacity. In comparison, the Ford L3 H2 Van is 5.98 meters in length, according to the 2020 model, and the AeroMobil 4.0 is 5.9 meters in length (AeroMobil, 2020). This analysis provides an answer to the common question of how to manage basic traffic situations as well as the daily driving obstacles.

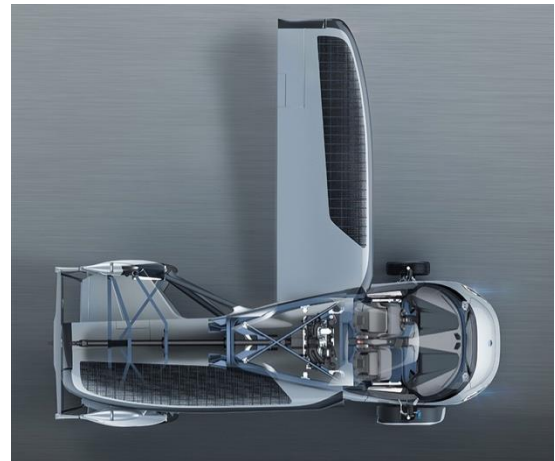


Figure 3 AeroMobil(2020).Picture

Market Analysis:

There are many macro-environmental factors that drive our market. The most prominent include technological advances and the cultural and social trends of our demographic.

AeroMobil is taking part in a pioneering industry that emphasizes the advancement of technology by creating a vehicle that is sustainable on the road and in the skies. There is a very rich culture surrounding our demographic, prompting them to strive and maintain a high level of relevance and prominence. AeroMobil has a world renowned team of various well-known names within the motor vehicle industry, even though our market is relatively small we are exploring the potential of an untapped market. Furthermore, this market could lead to a very large profit margin and prominent market share. AeroMobil is not as commonly referred to as our competitors, however within our growing market we are striving to become the only relevant company within our field. In 2017, our company partnered with Starburst.Aero, “which is the largest aerospace accelerator in the world” (AeroMobil-Starburst, 2017). This partnership aids the structural integrity and power of the AeroMobil 4.0 and also allows for further exposure in the media. Patrick Hessel is a major financial investor that joined the AeroMobil team in 2017. He is the CEO and founder of a company that manufactures composite parts for the aerospace and automotive industries (AeroMobil, 2017). We, as a company, have related diversification within the market. AeroMobil is introducing a new and innovative product to a market segment not yet served but has potential to thrive.

Market Position of AeroMobil

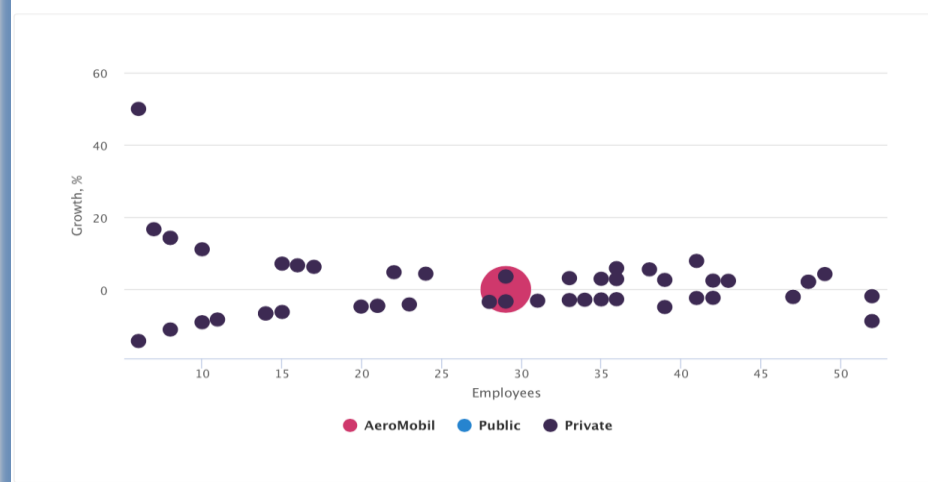


Figure 4 Craft(2020).Picture

Customer Analysis:

There is an innate human need to acquire the latest and greatest products on the market. Regardless of age or income bracket there are several factors that influence the decision making process of our customers. One influential component is the psychology behind consumer behavior, which impacts lifestyle and perception. Our customers are accustomed to a specific lifestyle, to which society's perceptions greatly impact their external behavior. Other impactful elements are associated with social factors such as culture and our customer's reference groups. The culture surrounding the AeroMobil 4.0 is predicted to be associated with experimental customers who have a passion for innovation and a wallet to match. Our predicted customer demographic tends to associate themselves with like-minded groups of people who share a passion for advanced technology and pushing the boundaries. AeroMobil 4.0 is leading the way for advanced automotive technology that blurs the line between a standard automobile and an aircraft. The overwhelmingly sleek and appealing design of the vehicle makes promotion an easy task because it is catered to our luxurious target market. Because this is so innovative and so unprecedented the price tag reflects not only the money, time and energy, but also the technological milestones that were met. The situational factors that play a part in the customer decision making process includes purchase and sensory situations. The act of buying an AeroMobil 4.0 has to be a life changing experience. Our customers will be some of the first people in the world to own a vehicle that can function on both the road and in the sky. Our customer will be drawn to the extremely detailed and precise design of the interior and exterior while also maximizing comfort, efficiency and safety.

Segmentation, Targeting, and Positioning: *Mason Kaiser***Segmentation:**

AeroMobil, as a company, strives to provide a product that exhibits extraordinary, efficient, and exciting features that appeal to our customers, who push the boundary of the potential of the automobile industry. Our current objective is to introduce this new and state-of-the-art mode of transportation into a new and untapped market. The strength of our company resides in our highly qualified and experienced team; who extensively research, design and test the potential abilities of our product. With all of our efforts and resources being focused on

developing only one product, we have limited product lines and depth that puts us at a disadvantage to our competitors. Because we are targeting an untapped market, we have ample opportunities to attract high profile investors and aspiring engineers who want to make a name for themselves. In comparison to our competition, such as Tesla, our company name does not carry the same weight. In order to combat this, we initially have to rely more on physical advertisements rather than word-of-mouth.

Based on our analysis of our company's objectives and strategic goals, we have concluded that the most effective means of reaching and defining our target market is utilizing and predicting our potential customers' geographic location, demographic description, and maintained lifestyle. With the nature and price point of our product, our primary focus will be on highly developed countries and zip codes because of the lifestyle the residents maintain. Their lifestyle tends to revolve more around splurging on luxurious items and showing off their social status. We also want to appeal to a vast range of customers starting at the age of 18 years old, due to the requirement of a pilot's license. The sustainability of our strategic goals is stable because of the price and experience required to purchase our product.

Targeting:

The identifiability of our company is not as strong and prevalent in our target market as our competitors, such as Tesla. Because AeroMobil is not as recognizable we cannot rely on customer loyalty, but instead focus our efforts on enticing the innovator and early adopter groups in the diffusion of the innovation process. In terms of reachability, our products have limitations and restrictions on who can easily obtain the AeroMobil 4.0. However, we want to emphasize our flexibility and open line of communication when it comes to inquiries and the ordering process. With the combined expertise of our board, we are confident in our company's ability to be profitable and sustainable. Because of the infancy of our target market, we consider our company and product to be substantial due to the notability and originality of the flying car. As a company, utilizing the concentrated targeting strategy aids us in focusing on and selecting one primary market to fulfill their wants and needs.

Positioning:

In order to identify and develop our positioning strategy, we need to implement the marketing mix which contains the 4 P's; product, price, place, and promotion. The AeroMobil 4.0 can satisfy the innovators need to obtain the most recent and sought after product on the market. When looking at the price associated with our product, the consumer not only has to pay in monetary means but also in time. Since AeroMobil 4.0 is a hybrid between a car and an airplane, a pilot's license must be obtained to personally reap the benefits. Monetary payment includes the initial price, estimated to be between \$1.3 and \$1.6 million, as well as the option to purchase or rent an experienced pilot (Business Insider, 2017). AeroMobil focuses on providing extraordinary experiences, whether inside the vehicle or interacting with the company. When an order is placed and delivered the buyer will receive an unparalleled customer experience. The purchased vehicle will be transported to the location of the buyer's choice and the delivery will also include red carpet commodities, like exclusive brand merchandise. Even though we focus heavily on customer experiences, most of our financial assets go into promotion. The benefits

AeroMobil 4.0 facts breakdown	
Price	€1.2m
Automotive range	100 kms
Aerospace range	750 kms
Maximum weight	960 kgs
Fuel capacity	90 ltrs
Certification	CS-23 (air) / Class M1 (road)

Figure 5 Revolution.Aero(2020).Picture

that come from buying an AeroMobil 4.0 surround ingenuity and entrepreneurship of owning a flying car. Having ownership of such a monumental and rare commodity also shows social superiority. Because of

the novelty surrounding the flying car, we believe the product can sell itself after buyers have experienced the full potential of the product. We are using Tesla's marketing strategy as a guide to help promote the AeroMobil 4.0, by allowing our customers to do the marketing for us. Buyers are more likely to buy a product that their friends recommend over opinionated and dramatized advertising. The positioning methods that best fit our company's strategy are value proposition and salient attributes. The AeroMobil 4.0 has a directly proportional benefit and

quality utility to the associated price tag. This vehicle can also be described as being the essence of luxury, which particularly appeals to our previously stated target market and demographic.

Marketing Research: *Joné Herselman*

In looking into our company's future, we have established that our most prominent potential hindrance to our profit margin is the price point of the AeroMobil 4.0. Another main concern that needs to be addressed is the maintenance and repair of the current and future AeroMobil products. As a company, we are striving for excellence and sustainability, which is why it is important to acquire more insight into providing a more economical price point while still providing luxury. In order to find the best solution, we want to further define the balance between luxury and ordinary. Even though we are looking at expanding the price range of our future product line, we don't want to sacrifice the notion of extravagance and luxury associated with our brand. To obtain the information necessary to determine the balance between obtainability and luxury we would primarily rely on quantitative research, however we recognize that some aspects of qualitative research are essential in acquiring the data needed to identify the solution. In respect to the types of research selected, primary data collection would allow us to apply aspects from each of the previously stated research types in our fact examination. For example we would utilize structured surveys to review customer decision making patterns to see what aspects they value the most. In our surveys we would ask structured questions such as what the maximum price point would be for specific features and what types of features are prioritized. With the information analysis collected from the survey we will know the value consumers place on various features which we will utilize when designing and creating the next AeroMobil product. Furthermore, focus groups would allow for unstructured questions and the expansion of opinions from the selected group. In the focus groups, we will select and create the sections based on various age demographics in order to see which generation is more likely to purchase one of our vehicles. With both of these research techniques being implemented, we will have a well-rounded source of imperative data that will help us form a working solution.

Product, Branding, and Packaging Decisions: *Rachel & Mason & Joné***Product Decisions:**

Because of the complexity of our product and the expertise that is required to create such an ingenious vehicle, our product lines are limited. Within our flying car product line, we have established depth, ranging from our first model, AeroMobil 2.5 in 2013, all the way to AeroMobil 4.0 in 2017. We plan to increase our depth in the future as our team continues to research, design, and test the most advanced features and technologies, eventually reaching the AeroMobil 6.0 in 2030. We have transformed AeroMobil and its products, improving the design, safety, and functionality with each new model. Because of the limited product lines within our company, we are put at a disadvantage against our competitors. However, at AeroMobil, we value quality over quantity and are determined to create the safest, most advanced vehicle for our consumers. Our company's mission and dream is to deliver the world's first commercially available flying car and we are confident in our ability to do so. We strive to deliver new products that are exceptional, efficient, and exciting.

Branding Decisions:

We are striving to establish a brand that enables consumers to differentiate our product from those of our competitors. We showcase this on our company's website with a headline that states, "Fly. Drive. In a high tech, super luxury vehicle that is a car and airplane like no other. A supercar with superpowers" (AeroMobil, 2020). We have built our company with the intention of relieving the strain of traffic and environmental impacts that other transportation methods induce. Because AeroMobil has low brand awareness in this untapped market, our branding needs to be able to stimulate the attention of both potential buyers and the media. However, we are determined to develop and strengthen AeroMobil's brand to establish ourselves as a top competitor in the flying cars market. Here at AeroMobil, we are developing a brand that is attractive to our target market and emulate luxury, innovation, and ingenuity.

Packaging Decisions:

Our company has developed a primary and secondary package that displays both elegance and innovation. The secondary package involves the interior of the AeroMobil 4.0. The controls have been designed to be operationally simplistic and recognizable to all pilots and drivers alike. Features and functions are presented in an arrangement that is both logical and easily accessible. Our team has integrated “materials such as structural carbon with the finest leather” in the interior to achieve a welcoming environment (AeroMobil, 2020). The Human Machine Interface, or dashboard, incorporated in the interior allows for displays to be set up in a way similar to those in the aviation world. The safety of our secondary package was designed in a way to offer the passengers the highest level of protection. The interior incorporates the latest in safety technologies, such as the “vehicle recovery ballistic parachutes” which are designed to bring the AeroMobil 4.0 back to ground safely if the pilot chooses to deploy it (AeroMobil, 2020). In addition, our team has designed and engineered a primary package for the AeroMobil



Figure 6 AeroMobil(2020).Picture

that is both appealing and dynamic. The primary package, also known as the exterior, is designed to be a “perfectly aerodynamic teardrop shape” which offers the maximum efficiency on both road and in air transportation (AeroMobil, 2020). The exterior also offers safety and movement control due to the

structural design of the vehicle. The performance of the AeroMobil 4.0 parallels the existing standards in the field of general aviation, which makes this suitable for experienced and new pilots. The exterior showcases innovative technology that our team utilizes, being the latest in carbon composite construction, ensuring that our product is performing at the highest levels of strength and performance (AeroMobil, 2020). Our primary and secondary package are aimed at attracting the attention of innovators with the features, functionality, and overall design of the vehicle.

Developing New Products: *Ellery & Mason & Joné*

As a company founded on innovation, AeroMobil revolves around the development of new products that will satisfy the changing needs of customers and predict what they may desire in the future. Since the establishment of the company in 2010, engineers and industry innovators have worked to design and create multiple beta models that made the development of the current AeroMobil 4.0 possible. With the evolution of the beta models being covered by the media, this provided outstanding promotion and allowed for the development of the company. With the announcement of the 4.0 model, AeroMobil is currently tracked to be a first mover in the market (AeroMobil, 2020). This new model release to the public allows AeroMobil the opportunity to compete with competitors, such as Tesla. This product would attract the innovators and early adopters of the consumers in our market. For this reason it is critical that the release and development of the product be geared in the direction of these consumers, which include Gen X, Y, and Z.

The commercial launch of AeroMobil 4.0 will provide the company with critical information about performance satisfaction, customer acceptance, and profitability. This information will be critical in the success and development of the company and our future products. These results from the 4.0 launch the AeroMobil engineers will obtain real market information. AeroMobil already has a 5.0 model and a 6.0 model in the product development process. The 5.0 model has entered the concept testing phase and the 6.0 model is in the idea generation phase. By having a constant development of new products, even before a product launch, allows AeroMobil to set itself apart from many of its competitors.

Services: The Intangible Product: *Jennifer Cox*

Our team at AeroMobil is dedicated to providing exceptional services throughout the entire process of producing and delivering the product. Our team is composed of individuals from around the world who are able to add insight in order to satisfy various culture's expectations. For instance, in 2018 AeroMobil showcased a special version of the flying car specifically for China called the "Sky Dragon" (AeroMobil, 2020). This special edition of the flying car aimed to satisfy the preferences of Chinese consumers. The Sky Dragon was designed to resemble a dragon colored in red and yellow. Dragons are extremely significant in Chinese

culture and the Sky Dragon was designed to appeal to the Chinese culture's emphasis on strength and harmony by allowing customers to travel to areas of China in a more efficient manner. Since AeroMobil is at the forefront of the development of such a groundbreaking product they provide an abundant amount of information on the flying car which reduces the potential for service gaps. By providing specific details about what the flying car entails they are able to inform the consumer on what exactly they can expect from the vehicle. AeroMobil is able to convey this information to potential consumers through presenting at various events, providing a detailed webpage and promoting in-depth videos of the flying car. Furthermore, AeroMobil is able to show consumers exactly what they will be receiving from their services by attending various exhibitions. At these exhibitions consumers are able to receive information and see firsthand what they will get from a flying car and the services at AeroMobil.

As in all companies, mistakes are inevitable and the expectations of some consumers may not be met, but the team at AeroMobil is at the forefront of innovation and adaptability so they are fully equipped to resolve any service problems quickly. The digital world that we live in allows AeroMobil to digitally produce the vehicle and receive feedback from consumers. Our team at AeroMobil is then able to adapt the product to customer's expectations, reducing the knowledge gap. AeroMobil provides consumers with a luxurious travel method and is dedicated to not only the safety of the consumer, but also an outstanding overall experience that is provided by AeroMobil's services.

In order to achieve the company's goals it is necessary for AeroMobil to invest further in research to obtain information on exactly what consumers expect from the vehicle and the services. AeroMobil also needs to develop a way for customers to efficiently receive maintenance or repairs on the vehicle in order to meet the customers' service standards and close the standards gap. Additionally, AeroMobil will need to close the delivery gap by creating a way for consumers to interact with the product and company. A system that allows customers to actually ride in the flying car and potentially drive it would allow them to experience the services before deciding to purchase the vehicle. The delivery gap should also be closed by instilling in employees to focus on the consumer in all of their work and decisions and not just focusing on innovation. Lastly, AeroMobil needs to increase advertisements that depict to the consumer

exactly what they will be receiving from the product and services without over promising what they will receive.

Value Capture: *Mason & Joné*

Pricing Concepts for Capturing Value

It was very important to us, as a company, to make sure our company objectives align seamlessly with our morals and mission statement. To achieve this symmetry, we are implementing a customer-oriented pricing objective. This objective will allow us to set our prices according to what our target market's income elasticity affords. The assumption basis for this model is that a customer is willing to pay a certain price when value delivered exceeds the asking price. This becomes evident when a product is deemed to have prestige status. The target market that this product appeals to values status over functionality. The higher the price of a prestigious product, the greater the status and exclusivity associated with the product, customer, and company. When setting the price, there is a limit that is relatively unknown. As a company, we have to be diligent when it comes to setting our price because if set too high it can diminish our demand. Due to the fact that we have such a specific target market, the factors regarding the price elasticity of demand are not very influential. The factor that most impacts our market would be the income effect. However, this effect is very individualized and cannot properly be evaluated because of the size of our market.

The costs associated with any AeroMobil product can vary drastically. Similar to that of a Lamborghini, each vehicle AeroMobil manufactures has the ability to be customized to each individual's taste. The main contributor to the total price of the car, is the variable costs which rely on the different degrees of vehicle customization. The customer will have the ability to alter any interior features these changes can include, the seat fabric and stitching and the technology used for the dashboard controls. There will also be an option to add in varying levels of vehicle assistance like voice command or assistance when transitioning between ground and sky. These commands can be altered and programmed to fit the customer's needs, which can make this vehicle less daunting and more appealing. The fixed costs include features standard to each product that cannot be altered as freely. These include the exterior frame, the hybrid engine, and the various landing gear to ensure safety and consistency. The total cost of each vehicle will vary

by both the individual and their financial circumstance, which translates into producing unique products.

Due to the complexity and amount of expertise and skills needed to produce a flying car there are a limited number of sellers where only a few firms dominate. This type of competition is best categorized as oligopolistic. Within this competition type, the market is very sensitive to firms entering and exiting. For example our market would react in a similar way to Apple leaving the smart technology industry. The market shares would be re-distributed and the customer demand would drastically change. Upon our initial launch, we are striving to reach the break-even point, which provides a stable foundation to then reach a higher profit level. With this opening goal we have to take into consideration the potential prestige pricing risks and disadvantages we mentioned earlier. Because our product is a new technology we are introducing into a new market we will be implementing the new product pricing strategy, specifically the price skimming strategy. This approach will allow us to effectively target the innovators of the market which will lead to a higher rate of positive word-of-mouth advertising.



Value Delivery: Designing the Channel and Chain: *Mason & Joné*

Supply Chain and Channel Management

Within our first few years we will have a small scale production so the supply chain and channel management will not be as utilized. However, once we begin expanding our production efforts and product line we will be more reliant on an efficient supply chain and channel management system. In designing our market channel it was important for us to be in direct contact with the customers, so we chose a more direct marketing method. In a direct channel, the company is more available and reachable to the customer because of a direct line of communication and interaction between the two. In utilizing such a direct method, we can bypass all of the unnecessary retailers and wholesalers present in the other types of channels. Because we want to be more direct in our marketing efforts, the flow of our channel is more condensed and uninterrupted by retailers and wholesalers. In choosing a more unbroken channel, we can also effectively increase the prestige around our company and products by eliminating the middle-man retailers.

Retailing and Omnichannel Marketing

As previously mentioned, we will utilize a direct channel market structure in order to remove the middle-man. Because we have a direct line to our customers, their expectations of attaining an AeroMobil product reside in buying directly from our company. Due to our dedication of providing a personalized experience to our customers, we currently only have one channel member. The main characteristics of the manufacturer channel member is focused on retaining and building on our company's image and business-to-customer relationships. We do this through creating a personalized buying experience as well as providing features to accommodate each specific customer's taste. In regards to our distribution intensity, AeroMobil would fall under the exclusive category. This type of distribution will allow the exclusivity of our product to continue while also expanding the geographic availability of our product. Because of our company's efforts to maintain an open line of communication with our customers, we are adamant on being the only buying option on the market. This ensures that the customer experience relies solely on the company itself and not a franchisee.

Because our cars will only be sold at select locations, we have the ability and freedom to create a lasting impression on our clientele. We do this through our luxurious presentation of the possible vehicles available for purchase via instore models and our knowledgeable personnel. Each vehicle has a red carpet leading to its display as well as an interactive tablet that allows the client to customize various features of their dream vehicle. Furthermore, once the client purchases an AeroMobil vehicle, they will receive exclusive clothing merchandise, a club membership card, and access to private facilities. Our personnel are trained not to act like a salesperson but as an assistant which takes away the undesirable aspect of up-selling. This ensures a buying process that is helpful and efficient without the clients feeling pressured or harassed. We are focused on not only providing an exceptional customer experience for the buying process but also facilitating relationships between the buyer and the employee.

In managing our omnichannel strategy, we will rely heavily on the accessibility of our website and the quality of our in-person interactions. Our website will offer the customer the same customization experience, which allows each individual client to customize and personalize features to their exact taste. This provides the customer easy access to a deeper and broader selection of options and personalization. For those who are not able to attend a flagship location, we also offer a virtual appointment on our website. Each client is paired with an employee who simulates a parallel buying experience through virtual tours and assistance with the customization process. Each client will have an evolving file within the company. This file will contain all the employees they have interacted with, their personalization preferences and overall history with the company. They will also have a social file that depicts their personal information ranging from drink preferences all the way to food allergies. Our brand is focused around being both prestigious and luxurious while also trying to combat our company's carbon footprint by reducing traffic and various air pollutants. The pricing for a standard AeroMobil without any personalization or customization will fall between \$1.3 and \$1.6 million. However, depending on the level of customization and the materials requested, the price will vary.

Value Communication

Integrated Marketing Communication: *Rachel & Mason & Joné*

Here at AeroMobil, we have developed an efficient and effective program for marketing communications. We utilize a model that incorporates four different steps: awareness, interest, desire, and action. Our overall goal is that once our target market becomes aware of our vehicle, they will facilitate an interest and desire to purchase it for themselves. There are mental stages that our potential customer will go through when making a buying decision. With each stage, we hope to elicit an emotion or feeling from them. We want to establish ourselves as the go-to company for the purchase of luxury airborne vehicles. To increase awareness, we have developed advertising and promotion strategies which are explained in the next section. In establishing ourselves as a prominent company in the market, we pique the interest and excitement of potential customers. We do this through interesting and insightful advertisements, such as videos that show the features and ingenious design of AeroMobil. In these videos, we display the interior and exterior of the vehicle as well as elaborate on the top-of-the-line safety features of AeroMobil. Also, we have an incredible website that offers exciting information about our product that will draw people in and create interest among consumers. Technology plays a large role in advertising and helps to facilitate broader interest. Our website contains an interactive feature that allows any potential customer to easily customize AeroMobil vehicles to their specific taste.

AeroMobil's ultimate goal of our integrated marketing communications program is to drive our target market to buy our product. Our target market is composed of innovators with deep pockets. They have a knack for the latest and greatest products in the world of luxury. AeroMobil produces products that satisfy their desire to be elite and esteemed. We are communicating the value of our product through public relations, sales promotions, and various forms of advertisements. We will utilize several different platforms to express value to our consumers. This will allow us to facilitate customer loyalty to ensure the company is profitable in the long-run. It is vitally important to our company to develop good customer relationships because we are reaching an untapped market and have to establish a solid foundation for

ourselves. By using an integrated marketing communications program, we are more equipped to reach the target audience with our message.

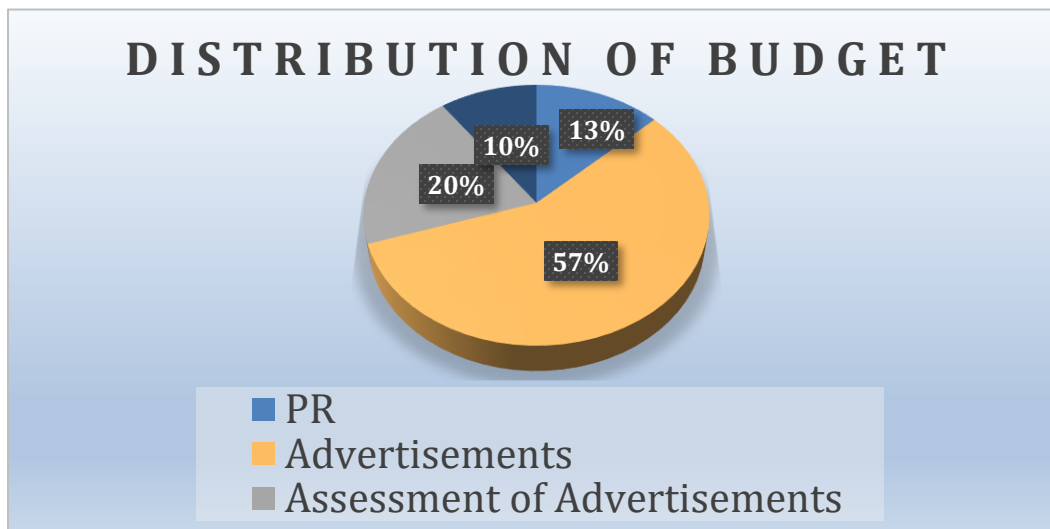
Advertising/PR/Sales Promotions: *Jennifer & Mason & Joné*

To further grow the success of AeroMobil and better satisfy the customer's needs, our company needs to execute effective advertising, public relations, and sales promotions. In order to achieve this we have set aside \$300,000 as a budget. To execute a successful advertising campaign our team will have to complete advertising steps by first, identifying a target audience, which our team has previously discussed above. We will collect data on our target audience by using surveys to gain information. We will then set objectives for our advertising. Our team will set our objectives as we are fully equipped to determine our persuasion strategies. The third step is to determine the advertising budget. We will spend \$170,000 of our \$300,000 on advertisements to create awareness on what exactly our product is and offers since it is such a new and innovative product. Next, we will need to convey our message. Our team will strategically create informational and emotional appeals to create a desire to buy a flying car in consumers. We then will evaluate and select the media. Although we will use some mass media to make sure the general population knows about our product, we will be mainly using niche media to target consumers who will be interested in actually buying the flying car. Since the flying car can be a bit pricey, we need to make sure we are targeting the portion of the population who can afford to actually buy it. Our advertisements will primarily be videos to show consumers how the flying car operates, so we will select online and offline mediums. We will place the largest emphasis on using the internet for our marketing since our society spends so much of its time on the internet above all else. We will also have our product showcased in various magazine spreads and social media sponsored posts to grab the attention of different demographic types. After evaluating and selecting the media, we will actually create the advertisement. While creating the advertisement we will need to make the advertisement eye catching and appealing while not taking away from the product itself. Lastly, we will assess the impact of the advertisement by using the marketing metrics. We will dedicate \$40,000 to learn before, during, and after our advertising campaign how effective our advertisements actually are and what we can change about them to better benefit the company. Since we will be implementing such a large advertising push we will mainly be utilizing tracking to observe the

effect of the advertisements on our sales as the advertisements are being run. By using tracking we will be able to change the message and/or medium of our advertisements while they are still being run. We will also be using post testing to evaluate the impact of our advertisements after they are run to see the overall impact of our campaign on our sales. From the information we gather from post testing we will be able to implement changes for the advertisements that we run in the future.

In addition to advertisements, we will be using public relations to further increase AeroMobil's sales. Public relations will allow AeroMobil to have a positive image and handle unfavorable events. It is vital that AeroMobil is reputable with such an innovative product. We will be using a variety of public relations strategies, such as sponsoring events. Additionally, we will be paying for news releases so information on the developments of our company are brought to the attention of the public. We will also be encouraging our employees to volunteer in addition to making donations to charitable organizations. We plan to spend \$60,000 of our \$300,000 budget on public relations.

Furthermore, we will be using sales promotions to build excitement and provide incentives for consumers to buy our products. Throughout different times of the year, we will provide a premium that offers customers with access to exclusive amenities when they purchase the product. For this we will use \$30,000.



Personal Selling and Sales Management: *Ellery & Mason & Joné*

AeroMobil is one of the first companies to ever come this far in technological innovation that blurs the line between aviation and land transportation. Due to the unknown territory of our market, we need various platforms to inform and excite potential customers. With our world relying more on online programs and websites, our company utilizes a website that offers useful information about our product. Even though technology is vital in the world today, we will still utilize the power of personal selling to ensure that the buying process is a memorable experience for each customer. Our sales team will be able to educate, provide advice, streamline the buying process, and build long-term relationships with customers. Well trained and educated personnel will allow our customers the ability to build long-term relationships with the company. As a result, our company can begin to foster a community of brand loyalty and generate desire for our product.

The management of AeroMobil's sales force is extremely important for the overall market success of the company and our product. Proper management includes recruitment, training, motivation, compensation, and evaluation of our sales team. It is crucial to teach our salespeople the five-step process when interacting and selling to any potential customer. This five-step process provides a base for how to sell to new customers, and allows the sales team the opportunity to use their own skills and expertise. The first step is generating leads, through industry meetings and trade shows. When AeroMobil attended the Monaco Auto Show in 2017 it generated a multitude of articles and buzz on social media, which is critical in making contacts and building up our brand name within the flying car market (AeroMobil, 2020). The second step is pre-approach where background research must be done on each client in order to formulate a personalized sales plan that will appeal to the client. A CRM system, or customer relationship management system, allows for all client data to be stored in one centralized location. This allows ease of process when dealing with any paperwork or client requests in the future. The third step is the sales presentation, which could be considered the most important step. It is here that our salespeople will pitch and sell the product, while also extinguishing any sort of concern or apprehension. It is crucial during this time that our salespeople make that important emotional connection with the client to ensure they obtain their dream vehicle. Next is step four where the sales team focuses on closing the sale. The team has to be mindful of the

potential customer's body language in order to gauge whether a purchase is probable or not. Our team at AeroMobil must highly prioritize this final part of the personal selling process in order to



make the buying experience effortless for the customer. Step five, the final step, encompasses the follow-up process once the sale has been made. Our team focuses on reliability and responsiveness to reassure the customer that they are valued and that our team is more than willing to assist with any needs that may arise.

As mentioned earlier, evaluation is a very important step in the management process of our company. Evaluations allow the company the ability to reward our salespeople with adequate compensation for their hard work, as well as understand what is or is not working for our company. At the end of every sales year our management team should evaluate each salesperson individually, on the basis of profit per customer, sales per year, and expenses compared to sales. By using this form of evaluation, the performance of our sales team is assessed more objectively instead of subjectively by the senior executives. Depending on the results of the evaluations, they will be properly compensated with various rewards. These rewards can include monetary bonuses, promotions, access to company facilities and branded merchandise. This will motivate our sales team to honor the company objectives while satisfying the needs of our customers.. By having the proper management and sales training, AeroMobil can ensure we do not miss out on the long-term customer relationships that salespeople provide. From these beneficial relationships, we will continuously grow our company's brand loyalty and generate desire for our product.

Implementation Plan: *Mason & Joné*

It would be most beneficial to use a two phase implementation plan given the unconventional nature of the flying-car and the limited market associated with it. The first phase of this plan will detail the allocation of our budget between several types of advertisements, public relation strategies, and various sales promotions. We are estimating this first stage to take anywhere between nine months to a year to complete. Due to our company's infancy, the goal of this first phase is surrounding brand recognition. In regards to the second stage we are mainly focused on the effects of the current plan and any adjustments that may be needed for the future. The implementation of the second stage will be never ending, because its goal is to continuously revise and make improvements on the company as a whole.

First Phase Implementations

Advertising

During the first phase, AeroMobil is dedicated to creating awareness and interest among our consumers through various forms of advertising. We plan to distribute our budget among two different platforms of advertising. The main platform that we will be using for promotion is the internet. Therefore, \$80,000 will be allocated towards displaying our vehicle on various social media platforms and to keep the main website updated and current. This portion of the budget will also allow us to obtain different forms of endorsements from influencers with varying followers. The remaining funds in this portion of the budget, which amount to \$90,000, will be used for television commercials, spreads in various car aficionado magazines, and other relevant offline promotional platforms.

Public Relations

The next section of our budget will be devoted to public relations. \$40,000 will be used for sponsoring various promotional events. At these events potential customers will have the opportunity to be a passenger in the newest AeroMobil product. A licensed driver/pilot will take them for a ten minute test drive while explaining the various features included in the product. The event will also have the interactive kiosks, similar to our physical locations, that enable the customer to design and customize their own vehicle. We will also have our well-trained

personnel present to answer any questions or help with any buying needs such as financing breakdowns. Because we value the environment and are conscious of our carbon-footprint we will be donating \$20,000 of our Public Relations budget to select non-profit organizations focused on protecting and preserving our environment.

Sales Promotions

The exclusivity of our product also translates to our various sales promotions including apparel items and miscellaneous merchandise not available for mainstream purchasing. When a customer purchases an AeroMobil product, they gain access to these exclusive items. These items allow for the brand to be advertised and recognized in social and informal settings. We will spend up to \$30,000 of the budget on designing and purchasing these items from various vendors.

Second Phase Implementations

During the second phase, we will evaluate and determine the effectiveness of each aspect implemented in the first phase in order to see what needs to be altered. This allows us to evolve and grow as a company and as a brand. We will be using \$40,000 to fund the analysis of the effectiveness of our advertising efforts. In order to weigh each aspects effectiveness, we will be utilizing different forms surveys and focus groups. This will be an on-going and ever changing process to ensure that we stay updated and current with our ever-evolving demographic.

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