

Memory Metals Marketing Plan

1. Executive Summary

Memory Metals manufactures and sells medal displays to an ever growing market of individuals who compete and receive medals for their athletic accomplishments. The company is focused on providing high-quality custom and ready-made display designs that will enable individuals to exhibit their accomplishments in their home. These attractive hangers are made from a high-demand metal and offer upgrade options making it possible to combine all manner of consumer tastes.

The competition, though offering a similar product, is not as prestigious nor does it offer the same level of quality in their product. Additionally, many competitors don't have websites and their product can only be found on major shopping locations such as Amazon and Etsy.

Though Memory Metals offers a full line of products, the target market is focused on the runners and triathletes who take part in online support communities. There are many online communities allowing the company to connect on a more personal and emotional level.

As the company begins to penetrate the market and become a name recognized with its quality and care that we provide, sales will increase on a daily basis matching our forecast and goals in sales to consumers. Promoting our product in the online community is key to Memory Metal's success in having the largest share in the medal display market.

2. Company Description

Memory Metals was realized and created by Founder and CEO Shauna Jorgenson when she was visiting a friend who actively competed in triathlons, marathons, and bike races. She seemed proud of her accomplishments but was overwhelmed by the number of medals she had and was hanging them on any open space that could be found. Shauna saw these achievements and knew they deserved to be better displayed to celebrate what her friend had accomplished. With the help of Shauna's husband, Kyle Jorgenson and his experience in the metalworking industry, Memory Metals was established to provide unique displays for its clients to showcase their achievements that have been well earned.

3. Strategic Focus and Plan

Mission Statement

Like memories, the displays are meant to last forever in exhibiting the achievements earned throughout the customers' lives to share with friends and family.

Goals

Non- Financial Goals

- Establish measures to understand how to best connect to the consumers
- Support events that are dedicating in helping youth reach for new heights
- Become a major competitor in the medal awards display market by the end of the year
- Lower production time using new laser machinery and refining build process
- Redesign website in order to enhance browsing and purchasing experience

Financial Goals

- 5 unit sales per day by September 2016
- Profitable by end of current year
- 20 unit sales per day by January 2017
- 10% growth on sales per month in 2017
- 20-30% market share by end of year 2017

Core Competency

Memory Metals will provide unique custom and pre-made laser cut medal displays. These meticulously constructed designs are made on precision cutting instruments that run on renewable energy sources appealing to individuals with a desire to showcase their awards. The product will be designed for the customer with the ability to be anchored conspicuously in their home for others to admire.

Memory Metals will define the quality of its product to the market through utilizing social media and technology. This will be done through coordinating a robust website that is also mobile friendly for a unique experience and for and connecting to communities on the web.

Sustainable Competitive Advantage

Memory Metals does not pay rent for use of the metal laser cutter. This expensive machinery is a significant barrier to entry and so free usage alleviates a major expense from

manufacturing the raw metal into displays. A competitor who has purchased or is renting such expensive equipment capital would potentially incur a higher cost of goods sold than Memory Metals. A company that would elect to capitalize this asset would have a comparatively higher rate required for sustainable growth. Direct access to the engraving facilities allows Memory Metals to manufacture any metal engraved product line and is not strictly limited to display hangers.

4. Situational Analysis

SWOT Analysis

Internal Factors	Strengths	Weaknesses
Management	Dedicated athletes with passion and knowledge of their product	Small operation with limited experience in marketing and retail
Offerings	High quality, precision-made Stainless steel product at a reasonable price	Well- established competitors with an array of partners. Some producers offer color options
Marketing	Target market easily recognized. Low level of complexity in distribution	Niche market. Several similar companies already exist necessitating market growth
Personnel	Workers are also owners yielding zero turnover and maximum dedication to success	Difficult to make the case for bigger workforce. Owners wear many hats with knowledge but no expertise of several necessary roles
Finance	Limited capital investment due to asset ownership resulting in higher net profit ratio	Small existing market share could stifle growth needed from higher sales volume
Manufacturing	Product made in-house. Cost of farming out fabrication is non-existent	Small workforce may not be able to fulfill a significant increase in customer orders
R&D	Ongoing research of a variety of materials for new canvas types	Materials for cutting instrument limited to metals excluding plastics, woods and others
External Factors	Opportunities	Threats
Consumer/Social	Product price nearly half of competitor's offer Quality product features will be communicated via word of mouth	New to market and has no name recognition or publicity Small customer base without much social following
Competitive	Able to fill orders quickly with little to no startup Clever name	Product already exists. Significant increase in sales will rely on sales outside local area and time

Technological	Computer guided laser cutter offers turn-key operation. Low-skilled labor needed to run instrument	Laser cutters are readily available to any entrepreneur seeking to make a similar product line
Economic	In a post-recession economy consumers have more disposable income than a decade ago	Medals are handed out simply for participating and have lost their luster. Disposable income will go else ware
Legal/Regulatory	Metal cutout products are unregulated	Laser cutting instrument used has some safety protocol that must be followed

Industry Analysis

This industry has its presence almost exclusively online, and this is where its competition can be found. The known competitors that are receiving the most market share are using large sites such as Amazon and Etsy. Memory Metals has a full line of products that can compete with this market, particularly the runners and triathletes.

When comparing the designs and the quality of product that the company is using with these competitors, you will find a big gap in the quality of the metal, the details of the designs and a large variety of different prices. It is not apparent that any utilizes social marketing in connecting to their clients. Each of these are an opportunity for us to obtain market share being viewed as a leader in providing a premium product.

Competitor Analysis

There are many competitors in the medal display market and overall, the marketplace seems quite active and with plenty of opportunity to expand into untapped niches. Expansion could generate enough attention to have a significant impact on growth but the activity emphasizes that the type of product Memory Metals offers is not unique. These competitors seem to be smaller companies offering product to a specific group of clientele. The competition is diversified in their designs but each group tends to tailor their products to a specific clientele and the description of the products connects the potential customers which mirrors the vision that Memory Metals seeks to connect to their clients. Unless there is a particularly unruly demand or expected growth for marathon themed hangers, there is a lot of competition to fight head-on for those products alone.

In terms of product quality, the competitor's' use of cheaper charcoal metal represents a lower quality so the brushed stainless steel that Memory Metals uses appears distinguished and attractive in comparison. If Memory Metals decides to continue limited advertising, they will

want to concentrate on the quality and precision of their product and quick turnaround times on orders for positive word of mouth.

Memory Metals should also exhaust all avenues of inexpensive exposure such as Etsy, EBay and social media to get their product in front of people when establishing their brand and reputation. Competitors utilize these methods and Memory Metals will be left behind if they do not. Attaining more reviews and an overall more active storefront primarily on Amazon could likely place Memory Metals as a top competitor and seller.

Company Analysis

The husband-and-wife team that co-founded Memory Metals represent some expertise in cutting out metal shapes with a state-of-the-art laser cutting instrument. Although both have limited experience selling this type of product, their passion for sporting achievements and ability to recognize that, even with others in the market, there is indeed room for another producer of this type of product in particular.

All production is in-house and time is allocated on the laser cutting instrument between runs of its normal work cycle. No extra staff is needed in production as they too are a part of the day to day production of Mr. Jorgenson's line and the displays are produced on a need basis.

Customer Analysis

The type of customer that will be the focus of Memory Metals is represented by a wide socioeconomic range. Household incomes will vary immensely but the price-point of the Memory Metals' display racks should make it an economically feasible purchase for 70 - 80% of the observed market population. It will be necessary to drill down and specify the type of event that people are tied to (i.e. Running, Wrestling, Dance, etc.), age group (High School, College, Independent events, etc.), or party relation (parent, grandparent, participant, etc.) and identify regional trends through research and data analysis. Another filter might be to identify which sports pass out medals for merit traditionally and which do not.

Customer characteristics might include:

- Consumers ages 20-35 with discretionary income
- Parents who are raising children
 - Specifically mothers since they tend to lead the purchasing role in households
 - The product is discretionary so an established household / job in the workforce are generally conditions that parents satisfy

- Individuals who are competitive in nature and possess some abundance in medals
- Professional teams
- Focus on runners

Customer Trends

The push for a more healthy society has shown a marked participation increase in sporting activities. Activity trackers in the form of smartphone applications and wearable devices such as FitBit have also contributed to a population that is more aware of its health. This uprise coupled with the growing numbers of sporting events for the masses and subsequent distribution of medals to participants creates a demand for Memory Metals' and its competitor's product.

5. Market-Product Focus

Marketing and Product Objectives

Memory Metals already has the resources to create unique displays for individuals. Its marketing outline is to connect to the communities that take part in the activities where these individuals are able to reach personal goals and create new memories which the product will enable them to share these experiences. Memory Metals medal displays will focus one to two market segments and expand to others on a quarterly/yearly basis depending on the segment.

Target Market

The primary target market for Memory Metals will begin for the athletes in the Tri-athlete and Running Segment. This is the largest identified segment and has many newcomers and seasoned athletes. This is a well blended segment of both males and females. The company will narrow its focus to the individuals who utilize online communities as a source of support allowing us to create channels of supporting potential customers and to promote to. This market has a wide variety of age ranges, but will be focus on the age group between 20-35 since this age is identified as heavily taking part in the online support communities of athletes and competitors.

Points of difference

The first thing that separates Memory Metals' product from the competition's product is the quality. The instrumentation available creates the ability to cut high gauge stainless steel

and produces a superior product as compared to other offerings on the market. A possible upgrade the displays might include a shelf that can be purchased separately at any time for an added cost. Additionally, Memory Metals will show support to the online communities and public events showing how Memory Metals truly cares for the identified target audience. The website is not just a place of purchase but a place to read and share experiences of personalizing their online experience on the website.

Positioning

What better way to show your passion than by displaying your achievement and celebrating who you are and the experiences that made you.

6. Marketing Program

Product Line

The Memory Metals product is an affordable device to display achievement medals in a fashionable manner with designs spanning a vast number of different sport genres. There are multiple designs provided to customers in various sports themes and genres for them to choose for their specific taste. With the technology that we have, should a customer want to have their own design for a display it can be easily created.

Product Quality

Memory Metals uses an efficient and precise laser cutting instrument to trim proprietary and custom designs out of stainless steel with an extraordinarily high repeatability rate. The cut-outs are then sent through a buffing process to clean up edges and to polish the metal into a finished product. The stainless steel is virtually corrosion proof, as is the nature of this alloy and so no further protective coating is necessary.

Packaging

Memory Metals securely wraps each order with custom packaging using tape that includes the Memory Metals logo. The mounting hardware is affixed to the inside of the box with the same tape exhibiting another point of branding. The meticulous attention to detail might not be noticed by the customer but the alternative, a poorly wrapped product, would not go unnoticed. When the package is opened by the customer, an inspirational message will be immediately seen on cardstock followed by their new display.

Price Strategy

Presently, Memory Metals prices are near the competitive market rates but should move towards a prestige pricing strategy in order to increase profits while enhancing the value perception. Metal displays can be considered a shopping product, for which there are several alternatives and is not considered a daily purchase. Memory Metals should ask for some premium to the competitors but offer a more unique, customizable, and responsive experience. Since the products are not something you buy every day, ensuring the customer feels confident before, during, and after purchase is where the prestige premium can be justified.

Promotion Strategy

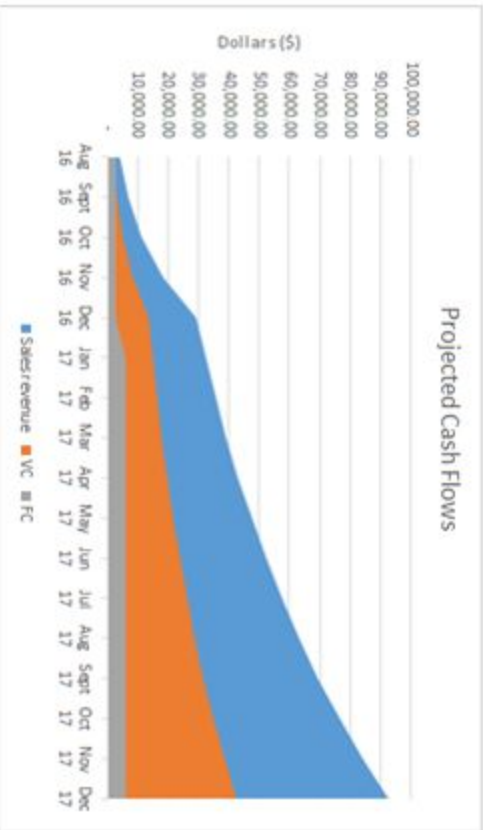
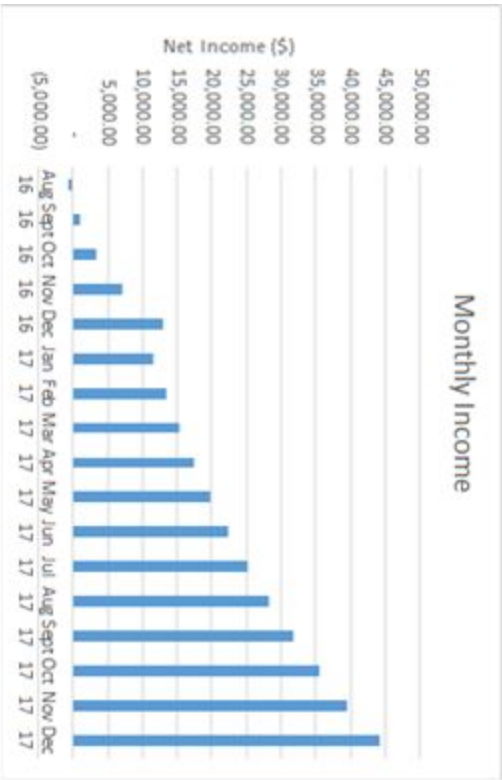
Market penetration is a key component to gaining market share. This will be done with social media as a key resource. The company will advertise by asking people to share their experiences to be displayed on the website. This can help connect the consumer with the market on an emotional level.

Another strategy that might be used would be to include a postcard with a photo of a Memory Metals display unit in the participation packet that a runner receives. The flipside of this postcard would have a unique and traceable code for redemption on the website as a coupon for a percentage off of one display.

Distribution Strategy

This product will be made and shipped from a central location in Salt Lake City, UT going to all 50 states and internationally. Memory Metals will utilize custom box sizes cut on their cutting instrument and will be sent out using the freight company UPS with negotiated rates. This is a product that allows for centralized production and distribution. The existing facility provides efficient production and has room to provide for the expansion of the company. The advantage of this distribution strategy is that each display is built to order while providing customization and flexibility for each purchase.

7. Financial Data and Projections



Growth Model	Aug 16	Sept 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sept 17	Oct 17	Nov 17	Dec 17
Growth		0.6	0.6	0.6	0.6	0.6	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Units/day	3.00	5.00	8.00	12.80	20.48	22.53	24.78	27.26	29.98	32.98	36.28	39.91	43.90	48.29	53.12	58.43	64.28
Units/month	90.00	150.00	240.00	384.00	614.40	675.84	743.42	817.77	899.54	989.50	1088.45	1197.29	1317.02	1448.72	1593.60	1752.95	1928.25
Income Model																	
Revenue																	
Sales revenue	4,320.00	7,200.00	11,520.00	18,432.00	29,491.20	32,440.32	35,684.35	39,252.79	43,178.07	47,485.87	52,245.46	57,470.01	63,217.01	69,538.71	76,492.58	84,141.84	92,556.02
Expenses																	
COGS	1,080.00	1,800.00	2,880.00	4,608.00	7,372.80	8,110.08	8,921.09	9,813.20	10,794.52	11,873.97	13,061.36	14,367.50	15,804.25	17,384.68	19,123.14	21,035.46	23,139.00
GSA	900.00	1,500.00	2,400.00	3,840.00	6,144.00	6,758.40	7,434.24	8,177.66	8,995.48	9,894.97	10,884.47	11,972.92	13,170.21	14,487.23	15,935.95	17,529.55	19,282.50
VC	1,980.00	3,300.00	5,280.00	8,448.00	13,516.80	14,868.48	16,355.33	17,990.86	19,789.95	21,768.94	23,945.84	26,340.42	28,974.46	31,871.91	35,059.10	38,565.01	42,421.51
FC	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Total Expense	4,980.00	6,300.00	8,280.00	11,448.00	16,516.80	20,868.48	22,355.33	23,990.86	25,789.95	27,768.94	29,945.84	32,340.42	34,974.46	37,871.91	41,059.10	44,565.01	48,421.51
Net income	(660.00)	900.00	3,240.00	6,984.00	12,974.40	11,571.84	13,329.02	15,261.93	17,388.12	19,726.93	22,299.62	25,129.59	28,242.55	31,666.80	35,433.48	39,576.83	44,134.51
Capacity Model																	
Units Sold	90.00	150.00	240.00	384.00	614.40	675.84	743.42	817.77	899.54	989.50	1088.45	1197.29	1317.02	1448.72	1593.60	1752.95	1928.25
Capacity	1280	1280	1280	1280	1280	1664	1664	1664	1664	1664	1664	1664	1664	1664	1664	1664	1664
Usage ratio	0.07	0.12	0.19	0.30	0.48	0.41	0.45	0.49	0.54	0.59	0.65	0.72	0.79	0.87	0.96	1.05	1.16

The model demonstrates aggressive growth during the initial startup. This will satisfy the desired goal of 20-30 sales per day by the end of 2016. Accelerating growth is required in the beginning while trying to enter the market. However, once product turnover reaches the breakeven point of units sold, which is forecasted to occur in September, the continuing months are profitable. The model also calculates the production capacity of Memory Metals using the time it takes to cut and shape the display. Assuming the ability to produce for 8 hours per day and the addition of the new laser, there does not appear to be a threat to overcapacity in the near future.

The growth for next year is assumed to be more stable but additional expansion is required to achieve the target sales growth. The projected cash flows show an overlay of fixed costs, variable costs, and the revenue stream. The fixed costs are higher than the revenue generated in the first months. However, if the projected growth is achieved, the fixed costs become insignificant in comparison to the total revenue stream. The likeliest way for this model to be achieved is through positioning the product for growth by implementing the correct promotional strategy to attract additional customers and retain business.

Appendix A

Memory Metals will be promoting heavily using social media and connecting to online running and triathlete communities. As Memory Metals connects to each community, it will present an opportunity to buy a specific medal display at a special price. The community leaders will choose 3-4 displays to present to their online community for a vote of their favorite design. The display that receives the most votes will be chosen to receive the discount for a limited time. The community votes by linking to the website allowing them to browse other choices.

This promotion is done on a monthly basis. The first two weeks focus on connecting a specific community to the website so they can vote on their favorite designs. The last two weeks of the month will provide the promotional price after the results. The specific online community will be highlighted on the website including a story from one of its members. All of this can be tracked using other social connections such as Facebook and Twitter.

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