

MARK 3001

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Marketing Plan – 414 Records

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Company Name: 414 Records

Competition: Spotify and Acme Records

1. Business Mission Statement & Company Objectives

- Develop a mission statement for your company. Remember, shorter is better than longer. Easier to remember is better than hard to remember. What is your overarching why (https://www.youtube.com/watch?v=u4ZoJKF_VuA&ab_channel=TEDxTalks)? Please also include a list of a few key company objectives for your firm.

Company name: 414 Records

Mission Statement: “Reviving rhythms and curating classics”

Company Objectives:

- Enhance customer experience
- Support local and independent artists
- Reintegrate live music and vinyl culture to Milwaukee
- Increase community engagement
- Employee expertise

2. Situation Analysis

2a. Strategy Map: Develop a strategy map for your industry. Please include a definition of your industry and at least 1 company (including yours) at each level of the strategy map. Please include an explanation for the strategy map where you discuss why you have each company at each level of the strategy map.

Strategy Map for 414 Records

Definition of Industry: Our record store belongs to the retail industry, more specifically the music retail industry. In a broader sense, it is a part of the entertainment industry. This industry includes many businesses that are involved in the creation of entertainment products such as music, movies, and other forms of merchandise. The record store sector focuses on selling music through physical formats, such as vinyl records or CDs.

Operational excellence: involves a firm’s focus on efficient operations and excellent supply chain management.

414 Records: We plan to keep accurate records of inventory so we can order more products when needed. We will also keep data to track our products in both high and low demand. We can then order more of what has been high in demand and shift around our budget to account for this demand.

Spotify: Spotify's operational excellence is strong due to the number of employees and how much goes on behind the scenes. If there is ever an instant when Spotify experiences delays or shuts down, there are people immediately on it to fix the problems. In Spotify's case, the supply chain isn't necessarily based on physical material. It is all based on agreements and licensing and the steps it takes for an artist's work to be on the platform.

Customer intimacy (excellence): involves a focus on retaining loyal customers and excellent customer service.

414 Records: At 414 Records, we expect to see a regular flow of customers as we are a local, one-store location. These relationships will be established through our focus on appealing to customer's needs. If a record has a problem like a scratch upon purchase, we are happy to take a look at it and replace it. Customers will be likely to return knowing that we have such a large variety of products that appeal to anyone's taste. We have hopes that our loyal customers will recommend our store to other people, creating even more customer relationships.

Spotify: Spotify is highly dedicated to creating customized experiences for its users by creating various playlists that are similar to the users listening history and habits. Spotify also has student discounts for the premium membership for college students. These features have allowed the company to establish loyal customer relationships.

Product leadership (excellence): involves a focus on achieving high-quality products.

414 Records: When receiving shipments of products, we will check to ensure they are in good condition to sell. We will handle all material with care and proper treatment to ensure there are no faults. Having high-quality products goes hand in hand with customer intimacy, as it will routinely bring in more customers.

Spotify: Even with so many features and options, the application is very easy to use and navigate through. Spotify also has a very sleek and simple look to it, while still being eye-catching. It also runs smoothly and rarely glitches or crashes. All of this combined makes the application high-quality while not being a luxury product.

2b. SWOT Analysis: SWOT analysis for you and two competitors. You can use bullet points (but make sure you're properly describing your answers!!!).

414 Records

S: We bring a sense of community to music enthusiasts. At 414 Records, you can shop for all records, old and new. We will only hire knowledgeable staff that can help provide accurate recommendations to our customers. On top of getting the physical media that many are looking for, we will also offer live music shows on the weekends to support local and independent artists in Milwaukee.

W: Although we sell records of numerous artists and albums, we cannot possibly have every record that someone may be looking for. We also don't have audiobooks and podcasts which online streaming services provide.

O: We can open an online platform to reach a broader audience in the Milwaukee area. Through this online platform, consumers will be able to shop for our inventory or reserve a record. We will also be able to collaborate with other local businesses and small artists to bring more attention to our store.

T: Being a small company based out of one location, our biggest threats are streaming that are accessible to anyone at any time and have a multitude of listening options. Supply chain issues can also impose a threat to the number of products we will have available to our customers.

Spotify

S: Being an online service, Spotify has the capability to personalize and create idealistic playlists and recommendations based on a user's listening habits and history. It has features such as Spotify Wrapped to show the user their top songs and artists for the year. This itself becomes a free promotion as users post their Wrapped results all over the internet. Spotify is also a great platform for small and upcoming artists to upload their music too. Spotify also includes a student plan that lowers the price of the monthly payment.

W: The free version of Spotify contains disruptive and repetitive ads. Customers are also limited to the number of song skips and there are limitations. The subscription for Spotify Premium eliminates ads and any limitations but at the price of \$10.99/month.

O: Could have new features such as unreleased music, concert video performances, and live listening options.

T: Spotify is constantly in competition with other popular streaming services such as Apple Music. Both are similar in the way they have a large variety of artists and songs.

Acme Records

S: Has been open for 11 years and has established a strong customer relationship. Customers could sell their old records to Acme as Acme is always looking for music of all genres to be sold in their stores.

W: Lacks the option of audiobooks and podcasts, which online services can provide.

O: We can provide a rental service that allows you to rent a Vinyl for a certain amount of time, this allows the customer to decide if they would like to purchase it. They would be reliable for damages as well, the same concept as renting a book from the library.

T: Acme Records faces threats from bigger companies like Spotify and Apple Music that allow users to listen to music through their Phone. Some other threats Acme has are prices, most vinyl is sold at a pricey cost and when buying a record, you need something to play the vinyl on which also costs money too.

2c. Value Proposition: Value proposition analysis for you and two competitors. What is your value proposition? Why is your company awesome? Why would anyone buy your products instead of someone else's? What are the value propositions for your competitors?

414 Records Value Proposition: At 414 Records, the soul of music comes alive. Immerse into high-quality records with great customer satisfaction, we want to help you find the best genres while recommending and playing new tunes for you before you buy. We offer rental services to take your music listening to the next level at a low cost.

Value Propositions for Competitors:

Spotify offers a diverse and personalized music selection for their users. They offer a varied amount of audio content for their users to discover and enjoy. They offer several subscription tiers that people can choose from, creating a broader audience for their products. Spotify also

collaborates with several household names in the industry to offer their users an even more intimate music streaming experience.

Acme Records provides a carefully arranged selection of products for those who enjoy a physical form of music. They also locally buy different records to ensure a diverse selection for people of any demographic to enjoy.

3. Identify opportunities

3a. Develop 3 target markets for your company. For this section, be as specific as possible, using various segmentation methods discussed in the course. **add something about buyer personas

414 Records: We plan to overall use a differentiated/multi-marketing segment approach. By using this, we can appeal to different types of customers by using different methods and providing for everyone's wants. On our website, we can focus on both the differentiated method and the micromarketing method. To attain micromarketing, we can have interest forms along with filters for users to fill out. From that our website will provide results based on that specific customer, creating 1 on 1 marketing.

Our first target market is the music enthusiast. These customers aren't afraid to stay away from their typical listening habits. They are always looking to discover songs, artists, and genres. By having this multitude of options, customers can easily expand their listening habits. With our option to rent for some time, it allows customers to test out the different genres and decide if they want to purchase. The second target is the collector. Collectors value the discovery of rare finds and limited editions of records and vinyls. They are always looking to expand their collection and find items with the best quality. Collectors may also be looking to discover the music of local artists that are found only in our shop. The third market is browsers. Even if someone is not necessarily looking for something, we want to appeal to anyone to come in and browse our shop. Whether they stumble across something they want to purchase or not, we are creating customer relationships and exposure to our store.

3b. For your two competitors, provide an analysis of what you think their target markets are.

Spotify has the best capability of marketing to the most amount of people due to its popularity and amount of content. There are some overlaps between 414 Records and Spotify, but Spotify is overall able to target more. When I think of Spotify's target market, I immediately split the users into four categories. The first target is just your casual listeners. They listen daily and have a set genre or group of artists they typically listen to. From listening in the car to just chilling and listening, they use it for entertainment. The second target is the podcast listeners. What's talked about on podcasts is pretty much unlimited. You can find any topic you are looking for. Educational topics, true crime stories, hot topics, news, book readings, and so much more are different types and can appeal to many people. The third target is musicians/music enthusiasts. These users aren't afraid to stay away from their typical listening habits. They are always looking to discover songs, artists, and genres. If they are a musician, they will want to explore different styles to learn from and possibly influence their own work.

Acme Records has all the similar target markets that we have; music enthusiasts, collectors, and browsers. Some other target markets that I think could apply to both Acme and 414 Records are design enthusiasts and travelers. Customers interested in the visual aspect of the products may use the vinyl and records as decoration and aesthetics and not necessarily for listening purposes. Travelers just stopping by in town may stop in to browse and see local options.

3c. Positioning – how will you position your brand in the minds of the consumers? For this section, please include the position (in the mind of the consumer) for your firm (along with an explanation as to why you think that the brand/product fits that position) as well as the position (and explanation) for your two competitors.

In the consumer's minds, we strive to stick out and differentiate ourselves from competitors. We want our company to be the first thing a person thinks of when they think of purchasing music. The diversity in our product allows our shop to be inclusive of consumer's interests. Our location won't be hidden away and will be an attention grabber for people on the street. Our prices will be reasonable along with deals and offers. By creating social media posts and hosting local live shows, 414 Records will receive exposure. With all these components, we hope to be positioned high in consumer's minds.

Spotify strives to position itself as the most used streaming service. A multitude of products and features are provided allowing for it to be unique amongst competitors. It is accessible to anyone with a device and internet connection. Both free options and monthly subscriptions are offered.

Spotify is constantly being promoted worldwide through the company, by celebrities, and even by its users when a new feature is widely talked about.

Acme Records most likely has the same positioning goals as our store. They offer diversity and are located on a somewhat busy street. 414 Records would build on a busier street to better position ourselves. Acme Records has similar pricing to our company. They do promote through social media and live performances but our goal is to incorporate more social media into our brand.

4. Implementation

4a. Provide a detailed implementation plan for each of the 4 P's for your company (product, price, place, promotion).

Product: At our record store, we will ensure diversity when it comes to our selection of vinyl records and other forms of music media we intend to sell. It is also crucial for us to stay up to date with the newest releases, but also dedicate time to finding older, classic records. On top of our vast selection, we will also offer our customers the option to create their customized vinyl, CD, or cassette. This will not only help differentiate us from our competitors but can help establish the personal connection to music that we are trying to emphasize within our store. We will also intend to create merchandise for our store brand for customers to buy such as T-shirts, hoodies, stickers, water bottles, etc. This can help promote our store through word-of-mouth. In addition, we can work with other retailers to sell promotional artist merchandise at our stores as well.

Price: We will do thorough research on our competitors, both online and other that provide physical media, to induce competitive pricing. We will offer discounts for any bulk purchases that will be supported through our loyalty rewards program. The prime purpose of the loyalty program will be for regular customers to accumulate points through every

purchase, and different discounts/offers will be awarded once a certain amount of points have been reached. Through this loyalty program, we will also have special sales and access to exclusive items as well as the ability to rent certain records for some time for those who find consistently buying records to be expensive. Pricing for sole products based on production statistics (Halvari, 2023) will go as follows:

Vinyl record: Range from \$20.00-\$45.00 (depends on retailer, popularity, and recency)

CDs: Range from (\$15.00-\$40.00)

Cassette tapes: Range from (\$2.00-\$6.50)

Personalized products: Similarly priced but will vary based on the number of songs and decorations added to the product.

Place: Also through extensive research, we will find high-traffic areas in Milwaukee where our store will be located. We can aim to find available locations in shopping centers where there is not a close competitor. As aforementioned, we will develop an online website where customers can also explore our catalog of products and create a broader audience.

Promotion: In the prime age of social media and digital marketing, we recognize that this will be the most effective manner of promoting 414 records. We will utilize platforms such as Instagram, TikTok, Facebook, and Twitter to create promotional content to spread the name of our business. Along with this, when signing up for our loyalty rewards program, our subscribers will also receive email newsletters that will include special sales and promotions we will have going on. One way that we can truly promote our brand while staying authentic to our values is by hosting many live events at our store. These events will mainly consist of live music performances by local artists who are also looking to grow and themed events to give our customers an immersive experience that will be hard to find elsewhere.

4b. Provide an analysis of how the two competitors execute the 4 P's.

Analysis for Spotify:

Product: Spotify has a vast selection of music to stream, podcasts to listen to, as well as audiobooks. Through algorithms and data, they can personally curate recommendations, and playlists, and have their long-awaited "Spotify Wrapped" feature at the end of the year that allows users to reminisce on all the music they discovered that year.

Price: Spotify has different subscription tiers for their users to choose from. These tiers include Free, Premium (\$10.99), Duo (\$14.99), Student (\$5.99), and Family (\$16.99). With the free

subscription, there is a limited selection of music for users to listen to, a limited amount of “skips”, and includes ads. They also offer a free trial option. (Goldrick, 2023)

Place: Being an online streaming platform, Spotify is accessible to users globally. Additionally, the app is available for download on mobile smartphones, laptops and PCs, and smart TVs.

Promotion: Spotify undeniably has various effective marketing/advertising strategies. The brand is known for being one of the biggest music streaming platforms in the world. They collaborate with some of the most popular artists such as Taylor Swift, Olivia Rodrigo, and Bad Bunny to promote their platform, as well as the artists’ content. They also utilize billboard advertising all over the globe.

Analysis for Acme Records:

Product: Acme Records describes their music selection to be well curated and organized, making it simple for their customers to find what they are looking for. According to their website, they have a selection that varies from used and new records, as well as CDs and cassette options. More than 90% of their records are sold locally in their store. They are big on buying other people’s records and pay up to 50% of what they plan to sell the record for.

Price: Though it was difficult to find exact pricing for the products sold at Acme Records, it is safe to assume that they have varied prices for their selection, as they buy and sell used records.

Place: Acme Records is located at 42341 S Kinnickinnic Ave, Milwaukee, WI. Upon research, it does not seem to be by many other stores or in a location that usually generates high traffic. They also have an easily accessible website that explains their mission, and what they wish to achieve at Acme.

Promotion: Acme seems to utilize social media marketing to drive customers to their shop. We were able to find their Instagram and Facebook pages where they share their events, “record of the week”, and any sales. They are also featured in articles about the best record stores in the Milwaukee area.

4c. Compare and contrast your results from 4a and 4b (comparing your firm's implementation of the 4P's with the two competitors' execution of the 4 P's).

After examining the implementation of the 4P's with the execution from Spotify and Acme Records, these were the results we were able to examine:

Spotify: Being one of the top music streaming platforms today, we recognize Spotify as a prevalent competitor for 414 Records. We are aware of the fact that buying physical forms of music media can be expensive, which is why we offer a variety of product selections just as Spotify offers different subscription tiers. Spotify does a great job of exhibiting its personalized products to its subscribers. At 414 Records, not only will our consumers have access to a personalized product, but it will be one that will be able to physically leave our store with, and will also make for great sentimental gifts. On Spotify, they also promote live music events of artists that their user seems to be a fan of. At 414 Records, our music enthusiasts will have ample opportunities to have an immersive experience with the events we will host and directly sell tickets for in our store.

Acme Records: The implementation of the 4P's will be very similar to any record store in the market. But seeing as Acme Records is a well-known store in the same area we will be based in, we have to carefully analyze how well they use their strategies. In terms of products, we do not differ greatly. Though at our store, we will offer an even bigger selection that our customers can choose from, and add a personal touch with our customizable items. We will work to acquire a location for our store that will be in a bigger populated area of Milwaukee to drive more consumers to our store, and Acme Records seems to be a bit strayed from the popular areas of the city. Our website will also include our inventory at the store and allow customers to shop for our products, whereas that is not an option at Acme.

5. Evaluation

5a. Given the work from sections 1-4, provide a timeline for executing your firm's marketing plan. Your evaluation will be based on the feasibility of the timeline as well as how detailed this section is.

Pre- launch:

With our prelaunch, we focus on these few things. Number one is who our target market is: Who the people are that are going to purchase our products and how we can push towards them. The next thing we will look at is who are the competitors. Some top competitors we know are Spotify, Apple Music, and other record stores located near our store. We focused on what makes us different from the others and why we stick out. The last few things that we focused on before we opened was the location of the store which is located in downtown Milwaukee, then developed a website and social media presence to get the word out.

3 months after launch:

Before we open we decide to do a grand open so more people are willing to stop in and see what's up. Next, we find who the regulars are and which products they are buying frequently so we know what the target items are. The next thing we decide to do is get connected. Connected with people and partnerships around us to expand our advertising and customer audience.

6 months after launch:

At this point, we will start to be more active on social media to reach more people. We might also add a reward system to keep the customers coming back. Encourage customers to leave reviews so we know what to change and fix.

9+ months after launch-

After this amount of time, we should have a good idea of what the customers look for. We will add new things to the inventory and maybe include more than just ways to listen to music. The next big thing is getting involved in the community. By posting ads, and getting connected with other local stores and events going on. We are highly encouraging our customers to leave reviews of the store and staff. We could also include promotions and deals too.

5b. Develop a list of goals associated with the timeline developed in section 5a. Your evaluation will be based on the feasibility of the goals as well as how much the goals are sufficiently doable but challenging (based on the detailed information provided in section 5a).

Pre-launch: Target market, Products to sell, Competitors, Location

3 months after launch: Grand opening, Main customers, Partnerships

6 months after launch: Active on social media, Reward system, Reviews

9+ months after launch: New inventory, Involved in community, Promotions

5c. Develop metrics that you will use to determine the level of success for the goals in section 5b Explain why you selected these metrics to measure the success of these goals

We are going to prioritize the reviews from our customers because in the end that's who we are trying to sell to. With reviews we, can know how well our company is performing. We will use this with the goals we have in mind that relate to the reviews.

Citation

- Stacy.Goldrick@groupsjr.com. (2023, October 2). *Adjusting our Spotify Premium prices*. Spotify. <https://newsroom.spotify.com/2023-07-24/adjusting-our-spotify-premium-prices/>
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- *Acme Records*. Acme Records - Record Store | Vinyl World. (n.d.). <https://www.vinylworld.org/record-shop/acme-records-milwaukee-wisconsin-united-states/>