

MARKETING PLAN FOR CB7 Sound Design

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1. MARKET RESEARCH

CB7 Sound Design is a small company focusing on making sound, audio, foley and underscore for companies who require this for their films, television programs, radio shows, and other media.

The market

- a) Family owned businesses: **Retail** - food chains, gifts shops, clothes and fashion shops (Swansea and Cardiff), Music shops -Drum depot and Gamlins (Cardiff).
- b) Theatre and Event Venues: **Entertainment** - Gwyn Hall (Neath), Civic Centre (Port Talbot), Uplands Tavern and Grand Theatre (Swansea)
- c) Corporate: **Councils:** Neath, Swansea, Port Talbot Councils, Libraries.
- d) Contact Companies and Small: DIY, Construction, Landscaping.
- e) Radio channels and Small Television Companies: **Other Media** - Swansea Sound and Bay TV.

Geographic Market Spread

- Neath Town Centre.
- Port Talbot Town Centre.
- Swansea City Centre.
- Cardiff City Centre.

Population Type - summary

- Age -Mixed group 20-70 years.

- Genders -Male and Female.
- Education -Government schooling, College or University degrees.
- Income – above 10-30K+ per year (net).
- Family life – single with strong family connections, married with children but have career goals.
- Geographic location –local, willing to travel, use their own transport if needed.
- Working status - Working Classes and Upper Classes.

CUSTOMER RESEARCH

The customers for CB7 Sound Design are split into three groups, as detailed below:

Consumer Group 1:

- Aged 25-40.
- Single, with support from family.
- Young Professionals, plenty of work drive, managerial positions.
- High-risk taking capabilities.
- Long term career goals, focused.
- Own vehicle and willing to work where efficiency is needed.

Consumer Group 2:

- Aged 35-45
- Married with children, own house.
- Efficient Professional work ethics.
- Manager, or Director.
- Risk taker on occasions, sensible work attitude first.
- Long term goal almost achieved.
- Own vehicle and travels to work, sometimes travels where work is required.
- Still has optimum work drive, meeting targets and tasks with ease.

Consumer Group 3:

- Aged 45-55
- Married with children (children grown-up, and have jobs), own house.

- Efficient Professional work ethics, with much experience, and familiar with all the legislation for Businesses.
- Director or CEO for an Organisation, or Owner of Company.
- Risks are taken by staff underneath him, but cleared with his board of Directors first.
- Long term goal achieved.
- Retirement already planned and completely funded.

Research analysis

The additional primary research analysis consisted of:

- a) Record book –
- making a note of all the local businesses in the Neath, Port Talbot, Swansea and Cardiff City Centre.
 - Selected observational days – head counting, customer types, and recording times.

(NOTE: see Appendices for more data and examples).

2. PRODUCT/SERVICE DESCRIPTION

CB7 Sound Design is a Company that creates sound, audio, foley and underscore for Companies films, radio advertisements, television documentaries, video games and other promotional media.

Service - How It Works?

- Meeting with Client, to discuss what is needed for the contract?
- Requirements - what sounds and music?
- Length of music?
- How many sounds?
- Type of sounds or music wanted?
- Deadline(s) – depending on size of the contract?
- Meetings with client on weekly or regular basis.
- Budget?

The Product

1. Foley, mixed and mastered for the suitable media.

2. Musical Underscore, mixed and mastered for the suitable media.
3. Mastered and encrypted copy of the Foley and Musical Underscore on a secure external memory device.
4. Printed Invoice labelling the contracted work, costs, date, VAT, Company addresses, and signed by the both parties.
5. Terms and Conditions Copyright Agreement statement (signed by both parties).
6. Receipt – labelling the work completed, costs and payment, VAT charged, Company addresses, date, and signed by Company Issuer.
7. Payment for the service is made via - Bank transfer, Credit Card, or Direct Debit.

NOTE: Foley and Underscore Descriptions –

1. When a movie has stopped shooting all of its film footage, the Foley is applied.

Example: Imagine watching a movie scene where the actor is in a house walking up the stairs. You will hear footsteps on the wooden floor, breathing, slight rattling of clothes, and maybe the television in another room.

These sounds are the Foley effects of the film scene.

To summarise, Foley effects are the audio and sound effects added to the movie by the Sound Designers, to capture the feel and correct audio for the various scenes.

2. The Underscore is the music, melodies, and musical textures that play in the media.

Example: When looking at a large Cinematic picture - the opening credits of a film (ninety percent of the time), has a musical piece playing to introduce the actors or scene in a moody way. This maybe the main themed melody of the genre of the motion picture, or just the opening dramatic melody. Also, throughout the film, there will be musical textures, and important moody music for various scenes.

These musical pieces are the Musical Underscore of the Movie.

U.S.P. – UNIQUE SELLING POINT

CB7 Sound Design provides a National professional service without the Corporate costs.

2.1 SWOT ANALYSIS

INTERNAL	STRENGTHS	WEAKNESSES
	1. Small Company, low costs.	1. No larger wide scale reputation.

	2. 1-2-1 meetings at regular times locally. 3. Easier to familiarise with the local and nearby Industry. 4. Contacts and Reputation already made through local music scenes.	2. No major Sponsors. 3. Not a vast range of National customers. 4. Big Risk, taking on a Start-up Company, crunching deadlines, meeting targets, etc.
EXTERNAL	OPPORTUNITIES	THREATS
	1. Launch Party to establish a wider base of customers. 2. Low Cost design, with quality audio, low cost Start-up Company. 3. Many contacts, in the local Music scenes, ideally a great networking foundation. 4. Good connections with the local Event authorities and Companies, excellent head-start to expanding Company name, and adding new customers. 5. Creation of an Advertising department via expansion in Year 2.	1. Established Companies already have a great reputation nationally and globally. 2. Larger Companies own a section of the National market. 3. Established Companies have many years of experience, more staff, bigger studios for bigger attraction to bigger Corporations. 4. Customers tend to go with a larger established Company due to their reputation and past history.

CONCLUSION – S.W.O.T. ANALYSIS

As there are no known Sound Design Companies in the Neath Port Talbot area, there is a gap in the market. Meaning, on a larger scale, there are plenty of local businesses (mentioned earlier in -1. 'Market Research – The Market) that require audio and sound for their Advertising or media needs. CB7 Sound Design will take

advantage of this market by meeting, discussing, and introducing their business to attract a customer base and foundation.

Being part of a community is also a large part of any Business. Once a business has established itself firmly within the local or surrounding communities, then it has secured a reputation and vital history. At a later date, if CB7 Sound Design decides to expand on a national scale, then it has the perfect back catalogue and profile to do so at an easier transcendence.

3. ADVERTISING & PROMOTION

Start-up Strategy:

1. Business Launch Party – for connections already made from the Local Business and Authorities.
 - Invitations will be made and given personally to all the potential Companies that are targeted for the CB7 Sound Design customer base. (At this time, email contact details will also be taken, and headcount for the main owners of the business).
 - The invitations will display a date, time, food and drinks free buffet, and an exhibition schedule for the designated event.
 - The companies will have to respond at the small Invitation personal meeting to CB7 Sound Design stating that they are coming.
 - The event will be held at a particular Hotel function suite. (This will be completed once CB7 Sound Design has received over fifty secured guests).
 - The night will consist of an exhibition of the company, what it does, who owns it, and how it does it? (With detailed video and sound demonstrations on a large projection screen).
 - Later, questions will be posed to all of the tables, and an answer section will be provided for the solutions (During this time -Drinks and food are freely handed to each table), meanwhile the bar will be open until the event ends.
 - The event will last for at least three –four hours.
 - At the last hour of the event, it will be a networking time, for Chris (CB7 Sound Design owner) to talk casually and mingle with the guests, and too maybe meet new people also.
2. Radio advert – Swansea Sound (The Wave), and Dragon FM will be approached for Advertising of a CB7 Sound Design sound clip.

- A script for an advertisement will be produced.
 - The script will be a short audio family pseudo scene.
 - It will include a small show-reel of sounds to project the work of CB7 Sound Design.
 - Contact details will conclude the advertisement.
3. Flyers, pamphlets and Business cards – for contacts and connections.
- Flyers, pamphlets and Business cards will be produced displaying all the job details and contact info, to establish a grounding that CB7 Sound Design are available and ready for work.
 - Contact Details will be displayed as email and website data, in order for the potential customers to respond with their email details.

Further Advertising Strategies: (completed throughout Year 1 and 2).

1. Magazine adverts.
2. Exhibiting a stall at Film and Sound Expos run by other large Event Companies.
3. Exhibiting stall at shopping malls in Swansea, Bridgend and Port Talbot.
4. Make a Company video, and post to local well-known connections, and on Youtube.
5. Website – with Blogs, Vlogs, news, events, and new show-reels.
6. Online media - YouTube, Instagram, Facebook page and events, Linked-In.
7. Locals papers, small television channels (Bay TV), Cinema billboards.

4. COMPETITOR STRATEGY

The Competitors:

<u>CTV Sound Studios</u>	-	Cardiff based.
Market share	-	National contracts -TV channel -BBC, S4C, Element 6, Beryl Productions, Vita Insurance, Scottish Power.
Established	-	1987.
Good Points	-	Established contracts, and a portion of the Sound Design
	-	Market- working with big Television Companies.

- Experienced Sound engineers.
- Bad Points
 - Some outdated work, needs to be more professional.
 - Need to obtain a larger customer base.
 - Not enough detail of how the Company operates.

Hoot Studios

- Market share
 - Some National contracts -TV commercials and programmes.
- Established
 - No given date, approximate 2006.
- Good Points
 - Established contracts, and a small portion of the Sound National market.
 - Market- working with big Television Companies.
 - Experienced Sound engineers.
- Bad Points
 - Some outdated work, needs to be more professional, Seems like their creations are slightly amateur.
 - Need to obtain a larger customer base.
 - Not enough detail of how and where the Company operates.

Cranc Studios

- Market share
 - National contract –BBC TV programmes.
- Established
 - No given date.
- Good Points
 - Established contracts, and a small portion of the Sound National market.
 - Market- working with a big Television Company.
 - Experienced Sound engineers.
- Bad Points
 - Some outdated work, but professional.

- Need to obtain a larger customer base.
- Not enough detail of how and where the Company operates.

4.1 PORTERS 5 FORCES ANALYSIS

Threat of New Entry	Supplier Power	Buyer Power	Threat of Substitution	Competitive Rivalry
Sole trading –cheapest option.	Small amount of Companies in Wales.	Companies seem to be set in their target sales regions, room for market in CB7 area.	Not easy to find a substituted product.	Pressures for CB7 to enter the Wales market, and quality is optimum.
Training already achieved – further training available at low costs.	Bigger Companies in London.	Established Companies cannot reduce costs due to their reputations and overheads.	Clients tend to buy from experienced or from a Company with a good sales strategy.	Other Companies have larger studios with a 3 or 4 man team – more contracts, sales, and reputation.
CB7 unknown Company, harder to gain a portion of the market.	Similar products, other Companies using different software.	With a good Sales Pitch and demonstrations of the product, that is the key to gaining customers.	Some Established Companies are set in their ways and do not need change, gap in market to retrieve share.	Other Companies will have access to top musicians to produce expensive products.
Customers tend to rely on established Companies.	Main product the same, created with different techniques, and has	Networking and connecting with known contacts can lead to a larger customer base.	CB7 is setting up a s modern Company, with current and up-to-	Other Companies will have links and connections to the Larger

	authentic styling.		date data and products to maintain a stable part of the market.	Sound Design Industry.
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Conclusion – PORTERS 5 FORCES

Due to CB7 Sound Design being a new unknown Company, by completing the PORTERS 5 FORCES analysis system, it has displayed the ‘Pro’s and Cons’ of what competitors have or own in the Sound Design market.

The analysis highlights what angles and strategies can be made to produce a definitive way into the forthcoming market, and important targets to reach or inject into the overall summary of this Market plan.

The optimum points to emphasise are:

- The Companies –Hoot, Cranc and CTV studios – are relying on their regular and well-known customers to maintain their businesses.
- CTV Studios – have collected a larger share of the market and have been established since 1987, gaining their firm ground, and holding their portion of the market. It may be harder to break into their area market.
- With a great Sales Pitch, Website, and communication with clientele, CB7 can break into the Port Talbot to Swansea market with ease.
- With lower costing, client rapport, and an Introductory period, this gives the forthcoming clients of CB7 a good chance to become familiar with the work, and its productions.

The general summary of the analysis, is that on both sides of the scales, CB7 Sound Design has a great chance of becoming a positive Start-Up Company with room to expand at a later date.

Write about the findings (a conclusion) from this analysis. What you can do about the threats and rivalry? How your USP and strengths are going to allow you to have an ‘competitive advantage’... E

4.2PRICING STRATEGY

Pricing Proposal – How It Works?

Pricing System

The main components of the Pricing and Costs for CB7 Sound Design are calculated via this system:

- Cost of materials.
- Cost of Labour and time.
- Overheads.
- Profit.
- Sales needed.

Start-Up Costs

- Capital Introduced – is the monies Chris (CB7 Sound Design owner) will be injecting into the Business.
- Funding – will be sort after through various Funding and Grant Schemes.
- Loans/Borrowing – will be the monies obtained from the Bank, or other lending schemes.
- Safety Net Fund – will be the monies set aside by Chris (CB7 Sound Design owner) for any mishaps, or emergency monies required at a quick response time.

Overheads explained

The overheads of any Company are the main costs added or needed to make the product, but not direct costs to the main labour, direct materials or third-party costs.

CB7 Sound Design overheads:

1. Rent.
2. Staff Wages.
3. Travel/Accommodation.
4. Telephone and broadband.
5. Utility Bills (electricity, gas, water).
6. Marketing and Advertising.
7. Indemnity Insurance.
8. Training and Development.
9. Accounting and Legal expenses.

10. Diesel and car maintenance.
11. Stock, materials, and purchases.
12. Bank charges.
13. Office consumables.
14. Loan repayments.

Pricing Strategy

By reviewing the Cash-flow forecast for Year 1 (included in this file), CB7 Sound Design has created three strategies for Sales and Company growth.

Step 1:

- Introductory Pricing for the first 5 months of operations – which is £1500 for Foley and Underscoring products.
- This is for an attraction to gain a larger customer base.
- All overheads have been covered in this period.

Step 2:

- Stage 2 of Advertising and Promotion -in months 3 and 5. Expected sales growth is forecast to expand.
- Months 4 and 5 – due to maximum promotion, and an advertising stall at the Film and Sound Exhibitions, training, and a new member of staff has been hired. Also, Material costs have altered due to buying a new computer and software for the new staff.
- Month 5 – More costs have been added from the effects of Sales, and CB7 Sound Design is not relying on the Start-up funds to maintain the business anymore.

Step 3:

- Month 6 – The Introductory Product package has finished, and the new pricing will take place (£1500 to £2250).
- Months 6, 8 and 10 - Predicted sales from the last six months have been forecast to enable a price increase. With one new member of staff the workload can be completed.
- Months 7, 9, 11 and 12 – have been set at the fixed Sales rate -£2250, and the Accountancy rate has been changed, due to £100 for the 'End of Year' filing for HMRC to be completed.

(Below is the Pricing Chart explaining the Packages for CB7 Sound Designs Products).

Price Chart – CB7 Sound Design Product

Package Name	Run Time	Labour	Total Days	Rate £	Sound added	Final Changes made	Grand Total £
Felix the mouse- Animated film.	20 minutes	8hours per 5day week	20	1500.00	Foley, underscore	Additional voice dubbing	1800.00
Radio Commercial	30 seconds	8hours per 5day week	10	750.00	Foley, underscore	-	750.00
Television Commercial	15 seconds	8hours per 5day week	20	2000	Foley, Underscore, Voice-over.	-	2000
Video Game	30 minutes	8hours per 5day week	30	3000	Foley, underscore	-Voice-over	3500
Television Documentary	30 minutes	8hours per 5day week	20	1250	Underscore	-	1250

5 SELLING METHODS

Sale and Contact data:

- Contact info and a Contact form is displayed clearly on the Website, Flyers, radio adverts, and so on.
- Then look at [SERVICE – How it works? –Part 2](#) of this **report** to understand the Contract procedure.

Distribution of the finished product:

- The finished product will be sent via an online email account (secured).
- By mail – packaged, and Insured and signed for, to the client.
- Receipts and Invoices will be included in both postage forms.
- Payments will be made via Business Bank accounts.

6 CRITICAL TASKS

Six tasks that will need to be completed during the initial period of your business (below).

<u>ACTIVITY</u>	<u>TIMESCALE/DEADLINE</u>	<u>ASSIGNED TO</u>
1. Social Media pages – Instagram, Facebook, Linked-In.	1, 2, 5 and 6 to be finished and ready for Day one of Business opening.	Points 1, 2, 3, 4, and 5 to be completed by Chris (CB7 Sound Design owner).
2. Website to go live.	Point 3 to be completed before the end of the first months opening date.	
3. Invitations meet-and-greet (for Launch Party-Start-up Strategy 1.).	Second month Invitation launch.	
4. Advertise on the Radio, magazines, etc.	Point 4 to be finished and sent for advertising on the third month.	Point 6 – accounts to be completed by appointed Accountant firm. All other Legislation to be completed by Chris (CB7 Sound Design owner).
5. Complete and check all Blogs on website.		
6. Business Legislation, Accounts (HMRC), and other Start-up details completed.		