

# **ABC, inc.**

## Marketing Plan

March 1, 2000

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## Marketing Summary

### Marketing Objectives

**ABC, Inc.** will initially be a part-time business located at the partners' residence: 123 Play Street, Anytown, WI. The residential play centers will be manufactured, displayed and sold at this site. There is ample room to display all four of the play centers that we provide and all of the centers will have 12" of sand underneath them. In order to best meet the needs of our clients, BA will encourage parents to let their children try out the play centers in order to see what they like and what developmental stage the children are in. This will enable BA and their clients to make the best choice for their particular situation.

BA will conduct all aspects of its business from a total marketing perspective; that is, consumer needs will determine the Company's plans. BA's marketing objectives include manufacturing a product which is in demand and that meets the needs of the consumer while providing supplemental income for the partners.

The partners believe that there is a definite need for a business like the one we are proposing. From informal linguistic surveys, we learned that people who are considering buying a residential play center have two choices. One, they can purchase a do-it-yourself kit and then try and find the right tools and the time to construct the kit. Two, they can choose to purchase a center from a company that manufactures and delivers the kits, but installation is an added charge and the companies that provide this service do not install sand or any other soft, resilient surface under the play center. The play centers offered by these companies are elaborately designed increasing the overall space needed for the location of the play center in the consumer's yard. These large, elaborately designed sets also come with a large price.

Another reason we believe that there is a need for this business is because there is not a company, in our geographical area that manufactures and sells basic to moderately designed and sized sets at a reasonable price, including installation.

All of our Class "B" competitors keep making their designs bigger and more elaborate therefore increasing the price. However, most people don't have enough room in their backyard for a really big play center.

Instead, the people we've talked to all referred to the fact that it would be great to be able to purchase a play center that is attractive, with basic to moderate size (design), for a reasonable price (not as low as the do-it-yourself kits, but not over \$3000). The overall, most common need that people told us they would like to fill, concerns installation of the play centers.

The majority of consumers in our target market don't have the time or desire to construct the play centers; yet, they have done it because they were unable to locate a company that would fulfill this need. People we talked to said they would

gladly pay someone to install their play centers. When we told people we would offer the service of installing a soft, resilient surface under the entire play center, they really liked the idea. Based on this primary research and on the secondary market research about the rising popularity in residential playground equipment, the partners think that there is a definite need for the business venture we are proposing.

At BA we recognize the fact that residential play centers are considered a shopping product. This means that when consumers are interested in purchasing residential play equipment, they will take their time and shop around for a product that best meets their needs. Very rarely will the purchase of a residential play center be an impulse buy or quick purchase. Instead, because of the price, design and size of residential play equipment, consumers consistently compare the products provided by several different companies before making a final decision.

BA also recognizes the fact that the consumers in our target market are educated, discriminating customers that demand quality and value. Taking all of this information into consideration has allowed BA to develop a marketing mix that will meet the needs of the consumer as well as the objectives of the Company.

#### Market Selection & Target Market

The counties that BA will serve are divided into two geographical designated marketing areas (DMAs), including the Fox Cities and Wausau-Rhineland. The Fox Cities area encompasses the following counties: Outagamie, Waupaca, Waushara and Winnebago. Portage county is located in the Wausau-Rhineland area.

BA's target market includes those potential consumers that are: married; aged 25-44; with incomes ranging from \$25,000-\$50,000; residing in a sixty-mile radius of BA, with at least one child under age 13.

According to information extracted from The Lifestyle Market Analysis (1994) and The Official Guide to Household Spending (1993) there are 188,529 married households with incomes ranging from \$25,000-\$50,000 residing in the Fox Cities area. Of this total, 8.9% have at least one child under the age of 13 and 20% of these consumers are likely to purchase residential playground equipment.

Additionally, there are 78,370 households in the Wausau-Rhineland area with incomes of \$25,000-\$50,000. Of this total, 8.7% have at least one child under the age of 13 and 20% of these consumers are likely to purchase residential playground equipment.

Based on this information BA was able to calculate its target market and annual sales forecast for both DMAs. It is important to mention that the partners have decided to spend twenty hours (each), per week, as initial home-based, part time,

small business owners. With that in mind, we believe that we can adequately serve 3% of those consumers, in our target market. The following calculations allow you to see our method of forecasting BA's total annual sales and the total number of sales we can feasibly handle operating at a part-time level.

### SALES FORECAST: FOX CITIES AREA

Total HH WI Income of \$25,000-\$50,000:	188,529	
HHs With At Least One Child Under 13:	8.9%	
<b>188,529</b> (Total HH w/ Income)	<b>8.9%</b> (% w/ one child under 13)	= <b>16,779</b> (Total Market)
<b>16,799</b> (Total Market)	<b>20%</b> (% of HH that Purchase)	= <b>3,355</b> (BA's Potential Target Market)
<b>3,355</b> (BA's Potential Target Market)	<b>3%</b> (BA's 1 <sup>st</sup> yr. Market Share)	= <b>101</b> (BA's Actual Target Market)
<b>101</b> (BA's Actual Target Market)	<b>\$800</b> (Price of Base Model)	= <b>\$80,800.00</b> (BA's Total Annual Sales Full Time)
<b>\$80,800</b> (BA's Total Annual Sales Full Time)	<b>2</b>	= <b>\$40,400.00</b> (BA's Total Annual Sales Part Time)
<b>\$40,400.00</b> (BA's Total Annual Sales Part Time)	<b>\$800</b> (Price of Base Model)	= <b>50</b> (Annual Total # of Units Sold)
<b>50</b> (Annual Total # Units Sold)	<b>6</b> (# of Months)	= <b>8</b> (Total # of Units Sold p/mo.)

### SALES FORECAST: Wausau-Rhineland Area

Total HH W/ Income of \$25,000-\$50,000:	78,370	
With At Least One Child Under 13:	8.7%	
<b>78,370</b> (Total HH WI Income)	<b>8.7%</b> (% WI One Child Under 13)	= <b>6,818</b> (Total Market)
<b>6,818</b> (Total Market)	<b>20%</b> (% of HH that Purchase)	= <b>1,364</b> (BA's Potential Target Market)
<b>1,364</b> (BA's Potential Target Market)	<b>3%</b> (BA's First Year Market Share)	= <b>40</b> (BA's Actual Target Market)
<b>40</b> (BA's Actual Target Market)	<b>\$800</b> (Price of Base Model)	= <b>\$32,736</b> (BA's Total Annual Sales Full Time)
<b>\$32,736</b> (BA's Total Annual Sales Full Time)	<b>2</b>	= <b>\$16,368</b> (BA's Total Annual Sales Part Time)

$$\begin{array}{rcl}
 \$16,368 & \$800 & = & \mathbf{20} \\
 \text{(BA's Total Annual Sales Part Time)} & \text{(Price of Base Model)} & & \text{(Annual Total \# of Units Sold)} \\
 \\ 
 20 & 6 & = & \mathbf{3} \\
 \text{(Annual Total \# Units Sold)} & \text{(\# of Months)} & & \text{(Total \# of Units Sold p/Mo.)}
 \end{array}$$

As you can see, BA's goal is to capture 3% of the residential playground equipment market in these two DMAs as an initial part-time business. Also, we used the price of our base model for calculating purposes. We realize that by selling one or more of our higher priced models, our annual sales would increase; however, at this time we believe that it is best to use conservative figures. It is our goal to increase BA's market share to 5% within two years of our startup date, at which time BA will become a full-time business. The chart below identifies sales forecasts at our pessimistic, most likely and optimistic levels. Forecasts are based on BA operating as a home-based, part time, small business serving the Fox Cities and Wausau-Rhinelanders DMAs.

<b>Levels</b>	<b>Market Share</b>	<b>Total Annual Sales</b>	<b>Total Annual Units</b>	<b>Unit Sales per/month</b>
Pessimistic	2%	\$37,752	46	8
Most Likely	3%	\$56,768	70	11
Optimistic	4%	\$75,504	94	16

According to The Lifestyle Market Analysis, consumers residing in these two DMAs participate in the following activities and interests: Physical Fitness/Exercise, Personal/Home Computers, Self-Improvement, Career-Oriented Activities, Home Video Games, Frequent Flyers, Science/New Technology, Current Affairs/Politics, and Real Estate Investments.

A secondary market for ABC, Inc. is also possible. This market includes the grandparents of the children identified in the primary market. People in this market are aged 45-64, have incomes of \$35,000-\$60,000, and may or may not reside in the sixty- mile radius of the Business. Many people in this secondary market come to this area for vacations and as tourists.

### Marketing Strategy

#### Competitors and Product Substitutes

The major (Class "A") competitors of ABC, Inc. include Rainbow Play Systems, Inc., and the "Do-It-Yourself" retail outlets that sell wooden residential play center kits (Menards and Home Depot). Rainbow offers the same type of product as BA, including the installation. Retail outlets sell the wooden residential play center kits manufactured by Swing\*N\*Slide and Hedstrom; as well as, the metal swing sets manufactured by Hedstrom. BA considers the product offered at the retail outlets to be product/brand substitutes for our product because there is no installation included and customization is minimal at best.

All of our Class "B" competitors also offer product substitutes for the product that BA is offering. However, none of our Class "B" competition is located in BA's geographical location. Our biggest competitive advantage over them is location and convenience.

#### Competitive Advantages

Although BA is not as large as our competition we believe that as a small business we have several competitive advantages that set us apart from our competition, which consumers will respond to favorably.

As a small business BA will be able to give superior customer service. We will install the play centers and install a soft, resilient surface underneath the entire play center. We will guarantee delivery and installation per client instructions. All employees at BA will have extensive product knowledge and will be able to assist the client with selecting the play center that best meets their needs and the needs of their children. We will be open in the evenings and on weekends in order to cater to the busy schedules of our clients.

Our product's quality is unsurpassed in that we use only the safest, most durable hardware and accessories; an attractive, extremely durable Redwood and we provide designs that are fun and exciting as well as safe for children of all ages.

#### Complete Competitive Analysis

Rainbow Play Systems, Inc.

Rainbow Play Systems, Inc., located in Little Chute, is a new franchise that opened in the Spring of 1996. Rainbow offers an extensive line of elaborately designed residential and commercial play centers. This is a privately held company based in South Dakota.

Rainbow is gaining brand name recognition and in 1994 they installed a "Mega Clubhouse" at The Mall of America in Bloomington, MN.

The Company claims to build the finest residential play equipment in America and encourages prospective clients to visit their "spectacular showrooms", which are "staffed with knowledgeable salespeople". However, on a recent visit to Rainbow in Little Chute, I had the opportunity to view their "showroom" and I was not impressed.

First of all, there is no showroom. Instead, six of the 48 models that they claim to have in stock, were set up outside behind a warehouse. There was a gazebo enclosed with Plexiglas that I assumed, served as an office. I say assumed because there was not one person available for me to speak to. Instead, the hours that they claim to be open were listed on a sign hanging in the gazebo. I arrived at 10:30 a.m. on a Tuesday morning. They state their hours to be from 9-6 M-F; 10-6 Saturday and 10-4 on Sunday. Yet, during the entire 45 minutes that I was there not one salesperson showed up!

A stack of the Company's 82 page, four color catalogs were placed on a plastic chair outside of the gazebo, with a large chunk of metal placed on top, to keep them from blowing around. There was a sign that read "Take-One" taped to the back of the chair.

While I waited for someone to show up I examined the set designs for safety and I was appalled at the placement of some of the accessories and the safety hazards that they posed.

My experience with this particular Company was not what I expected at all; and, more importantly the entire set up is not what they claim it is. This is a critical error for a newly opened franchise to make and I question whether or not the parent Company, in South Dakota, is aware of the way they are being represented in Little Chute.

#### Swing \*N\* Slide

Another competitor of BA is the Swing \*N\* Slide Company. According to their 1995 Annual Report, they are the leading designer, manufacturer and marketer of do-it-yourself, wooden home playground equipment sold through home center, building supply and hardware stores. The Company's primary product lines are wooden swing set kits, wooden climbing unit kits, plastic slides and related accessories. The Company's products are sold through more than 8,000 home center, building supply and hardware stores, including: Payless Cashways, Lowe's, 84 Lumber, Menards and some HWI and Ace Hardware stores.

Swing\*N\*Slide's swing set and climbing unit kits each contain a well-illustrated and easy-to-understand assembly plan, hardware, certain accessories and a bill of materials. The Company does not generally sell the standard-sized lumber, nails and tools required to construct the do-it-yourself kits. Instead, the same retailers, which carry the Company's products benefit from the sale of these items, particularly lumber. Swing \*N\* Slide estimates that the sale of its swing set and climbing unit kits results in incremental sales of lumber of approximately one-half to two times the retailers' cost for the kits. Retailers typically sell the Company's kits and the required lumber for a package price. Slides and accessories are sold separately.

The number of outlets that carry the Company's product line has increased from approximately 1,600 in 1989 to over 8,000 in 1995. Swing \*N\* Slide customers currently include 16 of the top 20 home center chains in the U.S.

In 1997 the Company will be introducing a new wooden swing set kit that includes all of the necessary hardware, accessories and lumber (Redwood) to construct a do-it-yourself wooden swing set. These kits will be available at major discount outlets like Wal-Mart and Kmart. Swing \*N\* Slide estimates that their swing set kits can be installed by two adults in six to twelve hours depending on the design.

Swing\*N\*Slide experiences the benefits from brand name recognition and from its distribution channels. They are currently working on expanding into the commercial and international markets.



### Positioning

It is the goal of BA to position itself in such a way that the consumer perceives BA to have superior customer service, quality and value. We want BA to occupy a preferred and unique position in the consumer's mind.

Attributes of BA's products and service that will contribute to this perceived image are: the best customer service for residential play sets in our area; safe, durable products; fun and exciting designs; prompt delivery and installation of the centers and the installation of 12" of sand underneath the entire play center. The play centers also promote large muscle development, balance, hand-eye coordination and cardiovascular fitness. Finally, our clients will get all of this (a high-quality product and superior service) for a reasonable price.

Based on the analysis of our competition's products and prices and on the industry as a whole, it is apparent to BA that consumers are price-sensitive to play centers because elastic demand exists. Competitors often use promotions in the form of coupons and discounts in order to increase total revenues. Also, many sets are 'sale-priced' in the fall in order to make room for the following year's products.

Therefore, BA will strive to position itself in such a way that consumers perceive BA to share important attributes with our competitors yet perceive BA to be superior on differentiating attributes and benefits.

### Price

The pricing policy of BA's residential play centers is designed to be the most reasonable in the market, considering our product and service. BA's play centers are not as elaborate or as expensive as Rainbow Play Systems, Inc.; yet, our products are not priced as low as the do-it-yourself kits. However, because we offer four different designs that vary in price, based on the size and desired accessories, BA has decided to use the premium pricing strategy. This strategy is what all of our competitors use because they also offer several different designs based on size and accessories.

The price that BA will charge is based on several variables. The cost of making and marketing the product and our desired level of profit were considered; as well as, what the market will bear, what the competition is doing, the economic well-being of the consumers in our target market, the relative value of the product and the ability of the consumer to interpret that value.

We took into consideration that BA's pricing objectives are to achieve initial sales and market acceptance in order to gain market share; therefore, we will use the competitive pricing strategy of penetration pricing.

We believe that given the above information and the fact that there are a number of price-sensitive consumers in the residential play equipment market, penetration pricing will be the most effective strategy for us to use as an initial pricing strategy. However, we are

aware that this strategy cannot be used for the long term because of the sacrifice made in profit margins in order to gain market share.

When a client base is established and BA captures market share, our pricing strategy will (probably) be adjusted to the price lining strategy. It is important to note that the partners understand that because BA markets a line of four different residential play centers and the option of customization, some of our products will compete with each other. When BA becomes an established small business, our future pricing decisions must take into consideration the effect of a single product's price on the rest of the products we offer.

BA's residential play centers will be introduced to the market with a high list price (compared to the do-it-yourself kits). However, we will use a low introductory offer and product discounts to generate initial sales, in order to gain market share. This approach is appropriate because the high list price signals product quality and will enable BA to realize its positioning goal relative to the competition.

Because the sale of wooden residential play centers is seasonal, BA will offer product discounts in the form of coupons and sales promotions. This is a practice that our competition uses in order to decrease inventory at the end of the season, and to get people interested at the beginning of the season. We are confident that consumers in our target market will respond favorably to these offerings.

We also realize that among our target market the buyer's perceptions and beliefs affect their price evaluations. Therefore, we will incorporate the psychological pricing strategy of odd-even pricing in order to appeal to our target market's need for value.

Several factors were critical in determining BA's pricing formula. One, BA is not only going to manufacture the play centers, we are also going to sell them. There is no intermediary between BA and the consumer, thus making BA a retailer in addition to a manufacturer. Two, BA is going to market a line of products; therefore, creating the need for BA to have a manageable pricing system that allows us to price our line of products more efficiently than we would if we had to do a break-even analysis for each product offered. Finally, because BA is a home-based, part time, small business we do not have extensive fixed costs that warrant doing a break-even analysis. However, we do have numerous variable costs.

#### Distribution

Distribution for BA's residential play centers is compatible with the overall objectives of BA. Using a direct distribution channel creates a smooth flow for the successful introduction of our product and service. As a home-based, part time, small business and because of the superior customer service that we offer, this will be our primary method of distribution.

**ABC, Inc. (manufacturing & sale) -----> Consumer**

BA's Class "A" competitors use both indirect and direct channels of distribution, based on

geographical location (Rainbow) and main point of sale (Swing\*N\*5lide and Hedstrom).

ABC, Inc. will make its products available year-round; with most sales being made from March to August. Sales will peak during April and May.

Consumer demand for BA's product and services will effect future decisions for modifying or changing our distribution method.

### Marketing Communication

At BA we realize that an effective plan for communicating our overall marketing objectives is vital to our success. Therefore, understanding the buying behaviors and attitudes, influences, lifestyles and interests of consumers in our target market, has enabled BA to make informed decisions concerning our promotional mix. Extensive knowledge about the wooden residential swing set industry and an analysis of BA's Class "A" competitor's promotional mix were also major factors in determining our promotional mix.

As a whole, the swing set industry is in the maturity stage of the product life cycle; however, the continual introduction of innovative designs and fun, affordable add-on accessories prevent the industry from entering the decline stage. Products that are in the maturity stage must be advertised differently than products in other stages of the product life cycle.

Products in the maturity stage of the product life cycle typically focus on advertising that is image based, in an attempt to, protect and reinforce the equity that the brand holds (Wells, W., Burnett, J. & Moriarty, S., 1995, p.97). BA is faced with having to combine our promotional strategies in order to market a product that is in the mature stage but with each distinctive, creative design or addition of new accessories, the product is kept from going into the decline stage.

It was apparent to the partners (based on activities and interests) that consumers in our target market have strong values rooted in the family, health, education and community life as a whole. Another indication of these values comes through in all of the child-oriented facilities and activities these two DMAs have within their communities. For example, the communities in the Fox Cities DMA have a unique children's museum, numerous parks and recreation areas and a variety of community events are held throughout the year. Many of these events are primarily geared towards families with young children.

Therefore, our advertising mediums and messages should be designed with an emotional appeal directly targeted towards the values held by consumers in BA's target market, in order to successfully communicate our products and services to them.

### Promotional Mix, Costs and Objectives

We have decided to use a mixture of various promotional methods to reach BA's target

market. This mix includes: public relations, advertising, personal selling and sales promotion. Combined, these distinct methods of promotion should effectively contribute to BA's promotional and overall objectives.

Like BA's target market, the partners have many of the same values and hold the same interests. It is important to us that BA have a positive impact on the community where we are located. One way to do this is to create employment for people in the area. However, another great way to support the community and have a positive impact, while increasing our name recognition and brand awareness, is through public relations.

BA is going to support local organizations like the Girl Scouts and become involved with sponsoring some of the many youth figure skating, soccer, and baseball/T-ball teams in our area. This will entail purchasing the team members' T-shirts and/or sweatshirts and providing a float for the kids to ride on, so they can participate in many of the numerous parades that are held throughout the year. We anticipate that during our first year in business we will be able to afford sponsoring one youth soccer team and provide a float for the Wild Rose Brownie Girl Scouts to use in two local parades. As we grow we plan to expand our team sponsorship to include several different teams in our area.

Due to the large amount of small communities in our geographical area, BA must pick the most effective advertising mediums to successfully reach our target market. Our primary form of advertising will be through print media. The publications that we chose to use have some common characteristics that attracted our attention. One, they serve the geographical areas we are targeting; two, their reach is significant (in number of households that receive the publications) and targets consumers in our target market. The table below includes the print media publications BA will use. Costs are for a quarter page ad.

<b>Name of Publication</b>	<b>Frequency</b>	<b>Unit Cost/Each</b>	<b>CPM/Per Month</b>
Fox Valley Kids	7 Times	\$350.00	\$36.57
Tri-County Advertiser	19 Times	\$134.40	\$77.74
The Resorter	14 Times	\$60.38	\$65.02
The Waushara Argus	13 Times	\$55.13	\$68.26

The above analysis provides BA with the actual media cost per thousand viewers. For example, an ad in Fox Valley Kids costs \$350.00 per ad and the viewing audience is 67,000. By dividing the cost by the intended audience and multiplying by 1,000, BA can determine that it costs us \$36.57 per thousand viewers to advertise in this publication.

"Personal selling is the major promotional method used in American business" (Manning, G. L. & Reece, B. L., 1996, p.11), and will be instrumental to the success of BA. Our salespeople, which initially will be the partners, will use consultive-style selling in order to maximize communication between BA and our clients. This type of selling is in line with the marketing and overall objectives of BA. Our salespeople will focus on the needs of our clients and will use two-way communication to best identify those needs. The

salesperson will act as a consultant who strives to serve the clients by asking open-ended questions in order to develop a relationship and they will use effective listening skills in order to assist the client in choosing the product that best meets their needs. BA will also emphasize service after the sale because we will operate from the perspective that the sale is just the beginning of our relationship with the client. BA will do whatever is necessary to assist the client at any time.

Sales promotions will also be used to promote BA's products. This strategy is used by companies in the mature stage of the product life cycle. Sales promotions will allow BA to capture market share, defend that market share and extend our product's life cycle. We will offer incentives to our consumers through the use of discounts to reduce our price. For example, at the end of the residential play equipment buying season (September & October) we will offer 10% off on any purchase.

The promotional mix that BA will use is made up of a variety of direct and indirect advertising, that will be used at different times of the year, in order to realize the intended effect.

<b>Promotion Type</b>	<b>Intended Effect</b>	<b>Customer Contact</b>	<b>Timing</b>
Public Relations	Influence Attitude	Semidirect	Long
Advertising	Attitude/Behavior Change	Indirect	Moderate-Long
Personal Selling	Sales	Direct	Short
Sales Promotion	Sales	Semidirect	Short

An effective promotional mix of the strategies discussed above, should enable BA to recognize the following overall promotional objectives:

- ?? Establish BA's positioning in 65% of target's mind.
- ?? Generate a 50% brand awareness among our target market.
- ?? Capture 3% of the residential play center market in our target market, during our first year.
- ?? Increase market share to 5% within two years of the startup date.

#### Pre-Opening Advertising and Promotion

Much of consumer demand for wooden residential play equipment is seasonal; therefore, we have strategically designed an advertising and promotional campaign that will begin in February and will run long enough to cover the demand through September. We have decided to use an advertising schedule known as *flighting* in order to maximize our advertising efforts. This schedule allows us to have periods of intense advertising followed by a hiatus from advertising. This schedule is a logical choice for BA to use because we will be advertising during our peak sales period and our hiatus will take place during the last quarter of our fiscal year, when no sales are expected.

Prior to our official opening on March 1, 1997, we will begin advertising in the print

media publications listed earlier. One ad will be placed in each of these publications every week beginning the last two weeks of February. It is important to note that the Fox Valley Kids publication is printed once a month, so that ad will come out in the beginning of February.

In addition to a heavy print campaign, BA will also design and print posters to be placed in area businesses, libraries, preschools and day care centers beginning in February. BA will also negotiate with our local school district to have a grand-opening flyer attached to their monthly newsletter in February. A bulk mailing that consists of a two-fold flyer, will be mailed to box holders in Waupaca and Wautoma in March.

In addition, we will have 9 inch brightly colored Frisbees, with our company logo printed on them, to be given away to the children that accompany parents to our establishment (only one Frisbee per family). Another promotion we will offer is free engraving of the family's name on each play center sold during the month of March. This promotion will not cost BA any extra money because one partner already has the tools and skills needed to perform this service and it takes a minimal amount of time to do.

Also, BA will have a four-color, 8-sided folded brochure printed that shows each of the four models we offer as well as the add-on accessories that are available. In order to make this promotional item as cost effective as possible, we will design and layout the brochure and will only have to pay for printing. The prices of the play centers and add-on accessories will not be printed on the brochure. Instead, a separate price sheet will be included. We will also design and print all of the business cards for BA.

The Internet is an additional tool that BA will utilize in order to promote itself. BA will have a Web page that includes our Company logo and text describing our products and services. The Web page will have buttons that can be clicked on to bring up a variety of things; such as, our Company brochure with prices and photographs of BA's products, tips on selecting a wooden residential play center and sound clips of Company representatives who introduce themselves and invite browsers to look around. At the end of the Web page there will be an area for browsers to type messages to BA.

The advertising and promotional plan detailed above is a target approach to advertising and promotion and is based on how much we can afford to spend. The money allocated towards the advertising and promotional budget is an investment necessary to generate the level of sales needed to produce BA's forecasted profit.

The total cost for our pre-opening advertising and promotion is \$2,839.00. The specific costs are itemized below:

2000 Brochures	\$875.00
Business Cards	\$50.00
1000 Frisbees (@ \$59 ea.)	\$590.00
5000 pieces Bulk-Mailing	

(2 zip codes @ \$85.00 ea. and 19.1 cents per piece)	\$1,123.00
Posters	\$21.00
Internet (Home page set-up)	\$180.00
<b>Total</b>	<b><u>\$2839.00</u></b>

The total cost for advertising and promotions during the first year of operations are itemized as follows:

<i>Fox Valley Kids:</i>	7 months @ \$350.00 per/ad =	\$2,450.00
<i>Tn-County Advertiser:</i>	19 weeks per/year @ \$134.40 per/ad =	2,553.60
<i>The Resorter:</i>	14 weeks per/year @ \$60.38 per/ad =	845.32
<i>The Waushara Argus:</i>	13 weeks per/year @ \$55.13 per/ad =	716.69
Float Decorations	2 parades per/year @ \$25.00 per/event =	50.00
15 T-Shirts printed	Sponsor one soccer team per/year =	102.00

Total: \$6,717.61

BA plans on expanding its advertising and promotional efforts as the business grows. We would like to eventually incorporate radio advertising into our future advertising campaigns as well as increased print coverage, including local telephone directories.