

MARKETING PLAN AND STRATEGY FOR SMC AIRLINE EQUIPMENT



INTRODUCTION

SMC was established in Japan in 1959. Since then it has become a global leader in pneumatics by listening to its customers in developing pneumatic solutions.

Mission Statement

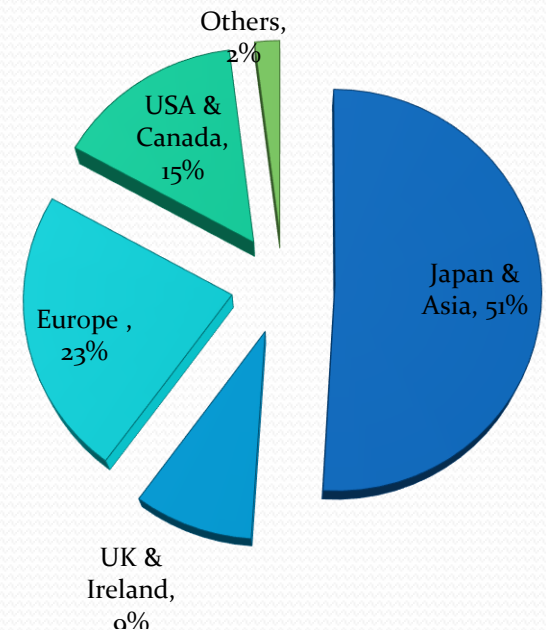
Manufacturing, processing and sales of automatic control equipment & manufacturing and sales of sintered filters and various types of filtration equipment.

COMPANY ANALYSIS

-SMC UK was opened in 1978 and is co-located with SMC European Technical center. It has 160 staff, 40 regional & national distributors. Its products are sold at 750 trade counters.

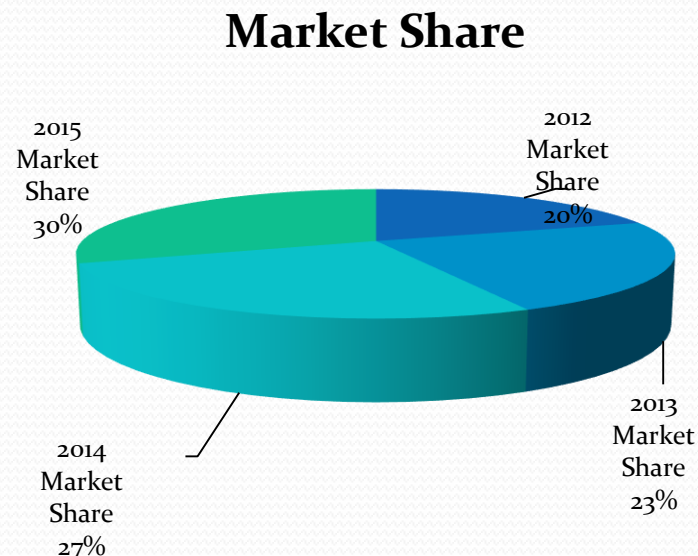
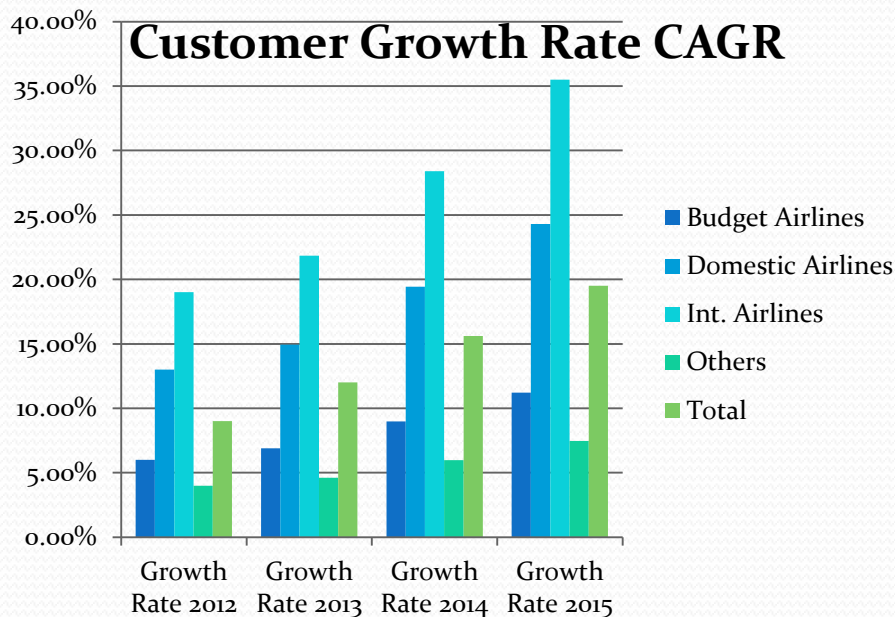
-All SMC products are manufactured within an approved ISO 90001 quality management system. It has managed to improve cost efficiency programs and cost-saving products.

-As of May 2013, there was a decrease in production which resulted in decreased operating profit, Net sales 5% decrease, 11% decrease operating income.

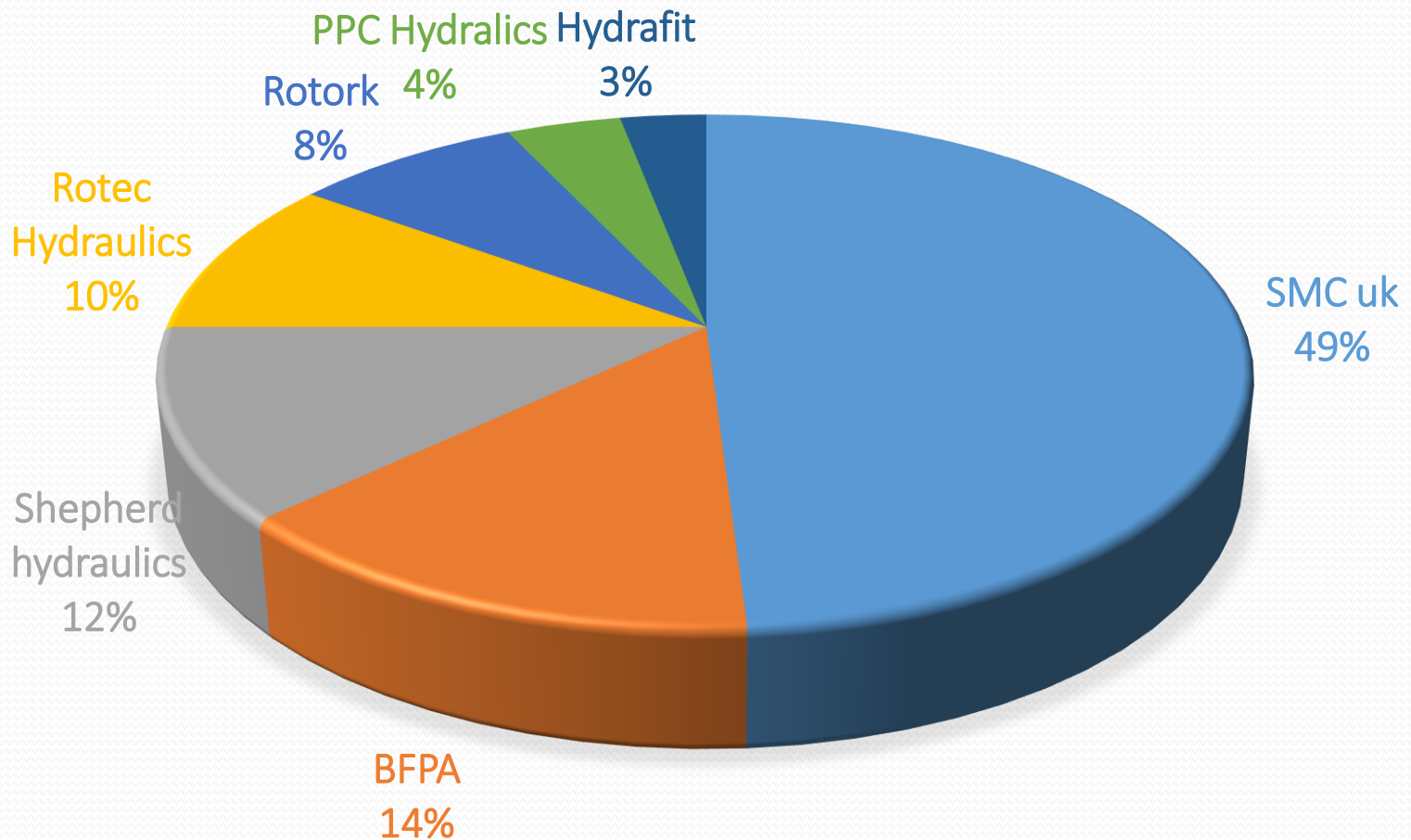


CUSTOMER ANALYSIS

Customer	Growth Rate 2012	Growth Rate 2013	Growth Rate 2014	Growth Rate 2015
Budget Airlines	6.00%	6.90%	8.97%	11.21%
Domestic Airlines	13.00%	14.95%	19.44%	24.29%
Int. Airlines	19.00%	21.85%	28.41%	35.51%
Others	4.00%	4.60%	5.98%	7.48%
Total	9.00%	12.00%	15.60%	19.50%



COMPETITOR ANALYSIS IN UK



SWOT ANALYSIS

Strengths	Weaknesses
<p>Strong market position coupled with multi-format, multi-channel operations provide resilience in a tough economic environment.</p> <p>ISO9001 certification</p> <p>50 new products every year with 6% of turnover being invested in R&D.</p>	<p>Underperformance in the budget airline market.</p>
Opportunities	Threats
<p>Increased popularity of eco-products and SMC's ISO 14001 certification will give it an edge.</p> <p>The Yen has depreciated making SMC products cheaper.</p>	<p>Intense completion from cheap Chinese imports</p> <p>Sluggish airline market, recovery likely to affect revenue growth adversely.</p>

OBJECTIVES

MARKETING

- Inform targeted customers about new developed features and benefits. Will result in a 12 % sales increase in a year.
- Increase product awareness among the targeted customers by 52% in a year.

FINANCIAL

- 12% increase in sales revenue this year.
- An increase in net profit margin by 9%
- Marketing expenses are expected to increase by 2.5%
- An increase in contribution margin of about 20% at the end of the year.
- The total overhead cost is expected to decrease to 4%

MARKETING STRATEGY

- Re-launch SMC airline equipment after manufacturing with better materials in our product range; through that company can increase their product value & customer satisfaction.
- Better materials should result in increasing the flying hours by 3000 hours.
- The airline products will be 14% lighter.

NEW Product Vs Old Product

Features	Combination Units	New Combination units
Design	Slim Design	Super Slim line Design
Low Energy Usage	NO	YES
Rapid Warm Up	NO	YES
Over Heat Protection	YES	YES
IP20 Rated	NO	YES
CE Approved	NO	YES
2 Years Warranty	NO	YES
Minimal Assembly Required	YES	YES
PRICE	£34.98	£36.91

MARKETING MIX

- **PRODUCT:** Re-launch of product with ultra light weight and stronger material
- **PRICE:** Price of products slightly above existing products in the market with the excuse of less power consumption.
- **PROMOTION :** Sales promotion, trade newspapers and magazine adverts and word of mouth to be done just before and during the launch.
- **DISTRIBUTION:** Distribution of re-launched product will be through all trade counters and also through SMC website.
- **PROCESS:** Online service and customer review to be created in SMC webpage for the product.

IMPLEMENTATION AND CONTROL

- After Implementation, monthly review of market share, sales, competitors, profits and promotional costs.
- Every 6 months we analyse Company Reputation, Brand Image, Service Personnel, Customer Behaviour and Budgets.
- With these short-term and long-term reviews we will monitor our marketing plan and make necessary adjustments so that we can achieve our objectives.

CONCLUSION

- We believe our marketing plan fulfils our SMC customer promise (VOICE). V (Value): SMC will always give you best value, O (Our people): Our friendly experts are here to help, I (Inspiration): Innovative, always something exciting and new, C (choice): we have what you want and need, (from our research), when and where you need it. E (Easy): we make it easy for you.