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## **1.0 Executive Summary**

The recent death of Michael Jackson impacted the music industry in both positive and negative way. In the view of positive, this strategic marketing plan developed for the purpose of increasing Michael Jackson's albums sales in coming years although he is no more. Fans of Michael Jackson are the biggest strength for this marketing plan.

In general, the marketing plan proposes of selling Michael Jackson's albums in seasonal way with few series per year. The product would be targeted mainly to those good music lovers as well as Michael Jackson's serious fans.

## **2.0 Situation Analysis**

The music industry is well grown with diversified distribution channels including distribution through internet. The recent death of Michael Jackson gave the music industry hidden opportunity to sell Michael Jackson's albums more proactively. Michael Jackson is worldwide well known pop album artist with numerous albums released since his singer career begun. He had established highest number of music fans all around the world. This concludes that his fans, his previous albums, and distribution channels are here although he had passed away.

## **3.0 Objectives**

Increase the sales of Michael Jackson's album in coming years by retaining his existing music fans to buy the albums continuously in series. Increase the sales by at least 10% every year. Open wide the distribution channel and make the Michael Jackson albums would reach the music fans fastest way possible.

## **4.0 Strategies**

### **4.1 Competitive Strategy**

We understand the market that our competitors would also see and take the opportunity to sell Michael Jackson's albums. To stand out from competitive, we would apply one of Porter's generic competitive marketing strategies which are differentiation strategy.

We would apply differentiation to make our product bundling unique whereas we would package it to be sell only during Michael Jackson's special days or anniversary. We planned to release in 4 series per year which would be released for his birthday, his marriage, his fatherhood day, and his last day.

The 4 series would be would be released in 3 months gaps between each other giving fans to be addicted to the series. The fans would buy the all 4 series as the series are interconnected with each other.

### **4.2 Product Strategies**

The first release in series would be released for his birthday (August 1958) coming on August 2010 with title of "The reborn" which would be the bundle of songs that he created at his early career with theme color of white. The second release in the series would be for his second marriage day (November 1996) coming on November 2010 with the title "I found the love". It would be compilation of his most popular and favorite love songs with theme color of pink. The third release in the series would be released for his first fatherhood (February 1997) coming on February 2011 with title "You are mine". It will be compilation of his songs focusing on children with theme color of yellow. And the final release of the series would be for his last day (June 2009) coming on May 2011 with title "I'm going". It would be his latest songs that he sung near to his last days with theme color of black. The product-cycle reprints the life-cycle of Michael Jackson.

Table for album package release:

Release	Occasion	Happened	Album title	Release	Focus	Color
1	Birthday	August 1958	The reborn	August	Beginning	White
2	2 <sup>nd</sup> Marriage	November 1996	I found the love	November	Love	Pink
3	Fatherhood	February 1997	You are mine	February	Children	Yellow
4	Death	June 2009	I'm going	May	Ending	Black

The last 4<sup>th</sup> release would be 1 month earlier to the real month of his death because the sales would be high and giving enough timeline for active advertisement and promotion take place. Furthermore, the gap between the release would be standardized to 3 months in-between them. Michael Jackson's first marriage date was not emphasized or taken into accounting in our plan as the marriage date did not fall in the right time gap of 3 months. Besides, his birth child, the Prince was born for his second wife.

The table was listening out for the first cycle. For the second cycle onward, the same release month and theme would be used. But the song selections would be different and the Album package title would be changed.

### 4.3 Pricing Strategies

The pricing would be different for every release. The first release would be priced as low as USD 30 for the bundle. This is to encourage the buyers. Furthermore, the first release would consist of the songs of his early age which pretty much out dated for youngster now days.

The second release would be priced for USD 40. This release would emphasize the theme of love and romance. It would be favorite grab for the youngsters who afford to pay the price to listen those songs.

The third release would be priced for USD 20. This is the lowest price in the series because we would target the children as our primary target market. The one who will spend for children is their parents. We make the price to be reasonable and attractive for the parents to spend for their children.

The last release would be priced for USD 55. This price would be able to cover the excessive advertisement cost. The buyer would be willing to pay the price as it would be the compilation of Michael Jackson's latest songs. Besides, the Jackson would be remembered at least once again when his memorial time comes in every June. It would be purchased as in respect to his memory and price would be perceived reasonable. Another reason for the pricing, if the buyer (Michael Jackson's fan) bought the first release until the third, then they would not hesitate to buy the last release for the price as they would demand for it.

#### **4.4 Distribution Strategies**

The albums would be distributed through existing distribution channels such as physical shops. To take a step ahead of our competitors, we would also distribute the albums through internet and the price would remain the same. Although the internet is blamed to be a medium for piracy, we would still have internet as one of the important distribution channels because from the music industry history, regardless of an album distributed through internet or not, it will still be pirated personally and spread all over the internet for free. We see the internet as the distribution channel of the next music era and important for us to participate as well as not lose any potential revenues that could be generated here.

#### **4.5 Promotion Strategies**

At the beginning stage, we would need to spend a large amount in advertising because we are introducing a new album package or bundle to the music market. It would be done near to Michael Jackson's birthday and we would take the opportunity to spread the news of our product.

It would open the right medium for us to educate the Michael Jackson fans about our new product. We would build our brand and awareness toward our product series. We would go for radio advertisement, online advertisement, and newspapers and magazines advertisement. We would also spend on point-of-sale advertisement by providing the physical music shop with our bunting banners and posters highlight our product entry.

The advertisement would be remained throughout the year. But the level of advertisement would be increased and reduced based on the release type and the album focus to make sure it conveys the message without wasting our finance resource.

We need to buyers to be addict and buy our releases continuously from his first purchase. To tackle this requirement, we would provide discount coupons attached inside their album package. It would be 20% discount for their next purchase of the second release album. But on the second release, we would not provide any discount by keeping in mind that the third release album theme focuses of children and price is already lower and we can't afford to give further discount. There would not be any discount for the forth release as well because the album would sell pretty well by itself through an excessive advertisement approach. But in the fourth album itself, we would include the 20% discount coupon for the next purchase which would be the first release of the next season of series.

Table for advertisement and discounts:

<b>Release</b>	<b>Focus</b>	<b>Price</b>	<b>Advertisement level</b>	<b>Discount coupon given on purchase</b>
1	Beginning	USD 30	High	20%
2	Love	USD 40	Low	-
3	Children	USD 20	Low	-
4	Ending	USD 55	High	20%

## 5.0 Financial Analysis

We are forecasting the profit would be generated through the sales of the product for next 2 years.

### FORECASTED SALES AND REVENUE FIRST YEAR (in million)

	Q1	Q2	Q3	Q4
Fixed unit price (dollars)	30	40	20	55
Targeted sales volume (units)	200,000	400,000	600,000	700,000
<u>Revenue</u>	<u>6 m</u>	<u>16 m</u>	<u>12 m</u>	<u>38.5 m</u>
Discount lost (20%)	0	3.2 m	0	0
Product cost (5 dollar each unit)	1 m	2 m	3 m	3.5 m
<u>Advertising cost</u>	<u>3 m</u>	<u>1 m</u>	<u>1 m</u>	<u>5 m</u>
<b><u>Earning</u></b>	<b><u>2 m</u></b>	<b><u>9.8 m</u></b>	<b><u>8 m</u></b>	<b><u>30 m</u></b>
Accumulated earning	2 m	11.8 m	19.8 m	49.8 m

\* The strategy would generate 49.8 millions earning if implemented and sales target reached appropriately for the first year.

### FORECASTED SALES AND REVENUE SECOND YEAR (in million)

	Q1	Q2	Q3	Q4
Fixed unit price (dollars)	30	40	20	55
Targeted sales volume (units)	600,000	400,000	600,000	600,000
<u>Revenue</u>	<u>18 m</u>	<u>16 m</u>	<u>12 m</u>	<u>33 m</u>
Discount lost (20%)	3.6 m	3.2 m	0	0
Product cost (5 dollar each unit)	3 m	2 m	3 m	3 m
<u>Advertising cost</u>	<u>3 m</u>	<u>1 m</u>	<u>1 m</u>	<u>5 m</u>
<b><u>Earning</u></b>	<b><u>8.4 m</u></b>	<b><u>9.8 m</u></b>	<b><u>8 m</u></b>	<b><u>25 m</u></b>
Accumulated earning	8.4 m	18.2 m	26.2 m	51.2 m

\* The strategy would generate 51.2 millions earning if the sales target reached appropriately for the second year.

## 6.0 Implementation

The music albums need to be produced before the launching date. The sales advertisement should begin on launch. And the promotions should take place on sales. The time table scheduled for the first year of release as below.

Start date	Department	Task	Period	Complete by
1 <sup>st</sup> Jul 2010	Production	Prepare album 1	1 month	30 <sup>th</sup> Jul 2010
1 <sup>st</sup> Aug 2010	Sales	Launch & start sales	3 month	30 <sup>th</sup> Oct 2010
1 <sup>st</sup> Aug 2010	Sales	High advertisement	1 month	30 <sup>th</sup> Aug 2010
1 <sup>st</sup> Oct 2010	Production	Prepare album 2	1 month	30 <sup>th</sup> Oct 2010
1 <sup>st</sup> Nov 2010	Sales	Launch & start sales	3 month	30 <sup>th</sup> Jan 2011
1 <sup>st</sup> Nov 2010	Sales	Low advertisement	1 month	30 <sup>th</sup> Nov 2010
1 <sup>st</sup> Jan 2011	Production	Prepare album 3	1 month	30 <sup>th</sup> Jan 2011
1 <sup>st</sup> Feb 2011	Sales	Launch & start sales	3 month	30 <sup>th</sup> Apr 2011
1 <sup>st</sup> Feb 2011	Sales	Low advertisement	1 month	30 <sup>th</sup> Feb 2011
1 <sup>st</sup> Apr 2011	Production	Prepare album 4	1 month	30 <sup>th</sup> Apr 2011
1 <sup>st</sup> May 2011	Sales	Launch & start sales	3 month	30 <sup>th</sup> Jul 2011
1 <sup>st</sup> May 2011	Sales	High advertisement	1 month	30 <sup>th</sup> May 2011

Forecasted cost implementing production for the first year would be USD 9.5 million

Forecasted cost implementing advertisement for the first year would be USD 10 million

## 7.0 Review, Evaluation and Control

The implementation and outcome of the whole strategy must be reviewed periodically to ensure we are on focus and in-align with our marketing objectives. The outcome or performance of the strategy can be evaluated by few ways including taking feedbacks. For smooth evaluation, we would monitor the sales figure and evaluate the sales performance. If the sales performance did not meet our forecasted sales figure or producing losses, we need to re-evaluate the whole strategy as there is a serious setback in the strategy and corrective actions must be taken.