**The Bicycle Company**

Introduction

Marketing objectives (with justification)

1. Attract x new customers per month
2. Convert 50% of new customer enquiries to a sale of a folding bicycle within 3 months
3. Increase the sale of accessories by 10% in the first 6 months

Competitor analysis

|  |  |  |  |
| --- | --- | --- | --- |
| **Competitor** | **Range of bikes sold** | **Service/repairs** | **Accessories & clothing** |
| Ace Cycles | Type and price | Yes | Yes |
| Beyond Mountain Bikes |  | Yes | Yes |
| Evans |  | Yes | Yes |
| Halfords |  | Yes | Yes |
| Amazon |  | No | Yes |
|  |  |  |  |

PESTLE Analysis

|  |  |  |
| --- | --- | --- |
| **Factor** | **Point** | **How does it affect The Bicycle Company?** |
| Political | Cycle lanesBoris BikesBike to work scheme (subsidised)London congestion charge keeps traffic down  |  |
| Economic | Cost of trains increasingRush hour trains very expensive |  |
| Social | Greener lifestyleHealthy activities |  |
| Technological | Boris bikes etc booked on an appUber very cheap alternative to tube |  |
| Legal | Bike helmets |  |
| Environmental | Move for not creating pollution, less car use |  |

**SWOT**

**Strengths of the proposal (internal)**

Small independent store that can target and service a niche market

**Weaknesses (internal)**

Only one shop so cannot match the economies of scale that Amazon or Evans can

**Opportunities (external)**

**Threats (external)**

The competition

Uber and Boris bikes also very easy to access

**The Marketing Mix** (20 marks) must be related to the case study and your Market Research

* **Message** - a clear and considered marketing message. Identify the target market(s) that are currently considered and any future markets that might be appropriate. Support with any data eg current trends

Affluent professionals who commute every day on the train into a city may be cash rich but are likely to be time poor. The marketing mix will therefore need to meet the needs of the target market and presents an opportunity to create a USP of customer service and an enjoyable experience when dealing with this bicycle shop.

**Marketing Mix**

* **Product**

Folding bikes (Brompton because these are good quality bikes which will meet the expectations of the affluent professional)

Also – accessories

An App with a booking service and access to other facilities offered by the bicycle shop to enhance the product for example the range of accessories by Rapha and other top brands, a café space, social events, a club that members can join with activities (club rides and events) and a generally more personal and independent service that reflects the needs and expectations of an affluent professional.

* **Price**

Competitor based pricing strategy but in line with other independent bicycle shops not the large chains such as Evans or Halfords. The Brompton bikes range from £745 at the bottom end to £3450 for an electric folding bicycle at the top end of the market. Accessories and clothing will be priced with a skimming strategy and upmarket brands (such as Rapha) stocked in line with the expectation of the target market.

Place (distribution) will be through the bicycle shop and the website. Repairs and service will be take place in store and also a customer bicycle pick up and delivery service will be available to enable bikes to come into the workshop without inconveniencing the customer.

* People

Staff will be cyclists who are passionate about the products and must be knowledgeable and well trained. They need to be able to provide good customer service and understand the needs of the customer. They will be able to deal with customers face to face and on the phone. They will wear a branded shop bicycle kit so that they can be easily identified and appear professional so that they meet expectations.

* Process

The shop will take all credit cards and Apple Pay but in addition online purchase is essential for buying goods online or for booking a service or repair. There will be an App through which repairs or service requirements can be booked and a pick up and return service can be booked through this also. The App should allow customers to check on the status of the repair. There will be a courtesy bike loan service available so that customers can still use a bike to commute even when their bike is in the workshop. This is the sort of service that other shops or large chains of bike shops do not offer and will be a USP for the Bicycle Shop.

* Physical Environment
* The shop needs to be an experience because the commuter may have little leisure time and a trip to the shop needs to be as enjoyable as possible. A café area similar to the ones that the Rapha store in Regent St offers will be in the front of the shop to draw new customers in and give existing customers somewhere to wait or the chance to have a coffee whilst browsing the stock. The store must stock

**Promotion -** including **Budget** (8 marks) and **Timescale** (4 marks)



**Justify** why you have allocated the budget to whatever types of promotion you have selected. The budget needs to be realistic with costs of all activities broken down and itemised. Comment on relevance of logo, brand, 7Ps and your research. The promotional mix needs to be realistic and meet your marketing objectives and the needs of the target market