Marketing Plan Report

[Author Name(s), First M. Last, Omit Titles and Degrees]

[Institutional Affiliation(s)]

Author Note

[Include any grant/funding information and a complete correspondence address.]

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# Executive Summary

This report is a potential design of a marketing plan for the next fiscal year to boost the market share of Dan Murphy’s which has currently 226 stores running across Australia.

The groundwork for this marketing plan is a thorough and comprehensive situational analysis of the liquor supermarket chain, Dan Murphy’s. This analysis is a deep examination of all activities associated with the brand and its current market share in the liquor industry. The internal matters and external environment of the liquor industry will primarily outline the marketing tactics and strategies for the next 12 months.

# Introduction

Regarded as the best destination for the most diverse range of liquor retailed at relatively better prices in Australia, Dan Murphy’s operates under the Woolworths Group Limited. The parent group displays unwavering dedication to deliver products and services for their customers which are unmatched in value for price and quality. Celebrated and widely known for technological leadership within the industry, and for its innovative strategies among the public, Dan Murphy’s is also the first and foremost retailer to initiate “click-and-collect” across all its stores which has made the buying experience a lot more easier. Dan Murphy’s is also the first liquor company which is successfully enabling its customers to be exempt from any delivery charges if they pay an annual fee. To ensure close co-ordination among its users, the company also set afloat a linkages program which delivered the products to the customers’ residential addresses within hours, even if that product was not present in the stores’ inventories. Dan Murphy’s maintains a powerful online presence, which is another pre-cursor for its success.

## Opportunity Identified

The opportunity that is identified for the expansion of Dan Murphy’s business activities is the introduction of bars where the customers can come and buy their beer while having a pub like experience. This opportunity stems from a lot of factors which include the current financial and marketing capabilities of the organization, the potential of the company to become a leading brand in the liquor industry, and the market needs.

Even though Dan Murphy’s have successfully adapted to the new constraints and restrictions of this otherwise disputed industry, the company still needs to incorporate innovative strategies that give it an edge over its competitors in the liquor industry. For this purpose, this marketing plan proposes introduction and opening of bars under the banner of ‘Dan Murphy’s’ to give their existing customers access to all kinds of products and to attract potential customers who are seeking a pub-like experience.

During the year 2016, Dan Murphy’s revenue accounted for $4.3 billion, which proved to be a 25.5 percent increase from 2015, and this growth in revenue was sturdy enough to demonstrate the market power and financial capabilities of Dan Murphy’s in the near future. The market and customer needs are also accommodated by diligent hiring of strategic marketing agencies who are highly skilled in targeting their specific customers. One of the representatives of the lifecycle management at Dan Murphy’s was of the view that personalization and customized relationships with the customers is the key for a successful bilateral relationship. In the past year, Dan Murphy’s has tactically analyzed the data of its in-store and online purchases which gave the company a chance to tag every single customer with a propensity score, thus fully having the knowledge of its customers’ needs and preferences. The trends in price elasticity, frequency and volume of purchase were also available to the marketers and they could target customers with specific mails which included particular taglines. This proves that Dan Murphy’s is already victorious in marketing its products to a wide range of customers and the people across Australia know it more than just a liquor retailer.

As far as Dan Murphy’s competitors are concerned, some of them have cost advantages, well-trafficked stores across Australia, excellent stock management, and inexpensive delivery services to name a few, but Dan Murphy’s exhibits greater competitive readiness because of its provision of endless possibilities and thorough personalization of its products when it targets its customers.

# The Marketing Strategy

## Identification of Competitive Advantage

This marketing plan will strategically fit with the overall business plan of Dan Murphy’s in a lot of ways.

Existing reputation of the company, location of the existing stores and high quality interiors of the stores are some competitive advantages of the brand which will smooth the grounds for timely functioning of the bars by acquiring the same services as were done before.

## Marketing Objectives

1. Promotion of new products and services of the bars

This marketing plan for a bar where Dan Murphy’s customers can come and have the experience of a life-time is essential for promoting the services of the bar in the next 12 months. The Dan Murphy’s bar will be exclusively catering its customers and frequent visitors needs by personalizing their own product catalogue and automation in content marketing which will also provide its customers with suggestions for their future purchases.

1. Growth of digital presence through live-streaming from the bar

Through live-streaming platforms, the bars will gain wide recognition from diverse groups of people as digital marketing through web and social media has drew attention of a large number of Dan Murphy’s customers and this type of marketing will help to achieve more substantial results.

1. Development of brand loyalty and retention of existing customers

This is the most important objective of this marketing plan. Reduction in the audience size to better accommodate their personalized needs in the recent past has in turn, helped the company to achieve greater revenue. Marketing strategies of the bars will also work in the pursuit of retention of the existing customers and to instill in them brand loyalty.

## Segmentation, Target Markets and Positioning

Demonstrations of linkages between the dynamics of an overall market and how a particular company opts to compete in that market is analyzed through the STP model.

Purchase occasion and the type of beverage are the two segments of Dan Murphy’s because its stores are also organized and separate from each other on the basis of these two factors. Specific dedicated areas in the stores also allow the customers to mix and taste new products and get detailed information about the beverages from the specialist of that range. This segment will be directly incorporated into the bars. Apart from a sitting arrangement and a main counter, there will be a special are in the bars which provides the customers and visitors to get acquainted with all the product ranges and help them to acquire their own special tastes.

The appropriate segmentation bases which are a highlight of this group are mentioned as follows:

### Basis for market segmentation

1. Age

The 18-35 age bracket is the largest segment as people in this age bracket have the specific attributes for high rates of technology adoption, highest potential for level of incomes and they are representatives of the highest share of alcohol and wine drinkers.

1. Income

As mentioned earlier, the people aged 18-35 are either fresh graduates or already settled high income earners and this group is the most likely to consume Dan Murphy’s products.

1. Occupation

The purchase decisions are largely influenced by an individual’s occupation, therefore this factor will also be considered in the marketing strategy.

1. Usage of the product

Visitors of the bars will be categorized as light, medium or heavy users of the beverages and they will be acquainted with their personalized experiences.

Based on the situational analysis, the company’s proactive intention of focusing their marketing offers and activities is a specific group which constitutes the target market of Dan Murphy’s. Evident from the analysis, Australian individuals from the age of 18 to 35 majorly comprise this group with an average socio-economic status, and are most likely to consume Dan Murphy’s products. Targeting this market will play a pivotal role in ensuring the success of the bars because people falling in this age group prefer to drink at bars rather than in the confines of their homes. Multiple studies have conducted various surveys and established that after the legal age of drinking is attained by individuals, they prefer to drink in bars where they also get the opportunity to socialize and increase their networks.

### Various Target Market Profiles

#### White collar, middle class office workers

#### Brew Connoisseur

#### Late-nighters

#### Weekend partiers

#### Students and networkers

Positioning of Dan Murphy’s products in the liquor industry is already done by its ‘best price guarantee’ in close comparison to its competitors. Dan Murphy’s is highly attentive to the need based purchase decisions of its target market and thus the pricing strategy of the bar will also align with this existing strategy which is a cornerstone of the business model of Dan Murphy’s.

## Appropriate Marketing Mix

Crucial to the marketing ambitions of the company, the marketing mix is considered as the chief operational piece for the big picture. The seven elements of the marketing mix, commonly known as the 7 P’s can be modified and manipulated in their own capacities to align with the marketing plan of the potential bars under the banner of Dan Murphy’s. The existing customers and visitors will be the primary points of focus for the brand and the marketing objectives will also be set in such a way to enrich the pub-like experience. This marketing mix framework is utilized by many companies worldwide and deployment of the same blueprint will give a chance to the marketing department for the efficient utilization of resources and assets in the pursuit of achieving the targets and set benchmarks for the growth of the company.

#### Product

Utilized for a wide variety of occasions, the main thing which makes Dan Murphy’s product range stand out from the products of its customers is the diversity and value of the products which not many alcoholic companies in the liquor industry offer. Targeting the personal and social desires of its customers, Dan Murphy’s is offering a total liquor range of over five thousand products and this fact is not perceived as just another statistic of the retailer, rather it is taken as a competitive advantage.

Enhancement of product strategies in the bars can be done in the following ways:

1. Accessibility to all the products in the bars through 24/7 delivery systems and online transfers
2. Deployment of perceived affordability of the bar visitors upon entrance which will further help to realize the customers’ preferences.
3. All the actual products currently being offered by Dan Murphy’s, which are almost 3500 in number will be available in the bars, including beer, wine, and spirits, thereby increasing the choice opportunities for the visitors.
4. Just like the in-store and online purchases are offering a diverse array of wine augmentations to cater to all the wants of a customer, the bar will also use the services of skilled bartenders and brew masters to help the visitors in trying new tastes of wines and associated beverages.
5. The bar will also be a sort of franchise having delivery options and affiliate programs. After the initial success, there can be a potential expansion of the bar to make it look like a wedding venue which would be totally theme-based and will allow this generation to schedule their weddings in this bar, considering their medium-to-low budgets.

These strategies will exceed the value of the product range for the customer and become a fundamental basis of differentiation among all the competing brands in the liquor industry.

#### Price

A competitive pricing strategy is currently being deployed by Dan Murphy’s. To be harmonious with their major competitive advantage of offering a low price for adequate liquor range, a ‘price integrity unit’ is made use of to signify the brand’s proposition of offering the lowest price option and the process of guaranteeing it. As individuals tend to seek lowest prices for their preferred commodities, therefore this element will also be employed in the pricing strategy of the bar, to avoid abrupt responsiveness in case of rising prices.

First week of every month will observe a special hour during all seven days to provide drinks to the visitors which will be on the house. The in-store purchases will cover this cost but this a special element of the marketing strategy to ensure timely success of the bar.

Additionally, if there is a visitor in the bar who has his / her birthday on the time of the visit, then a couple rounds of drinks for the birthday person and his friends will be on the house.

#### Place

With over 220 stores currently operative across Australia, there shall be no apparent barriers regarding opening of a bar. Specifically, the dominant spanning of the outlets is across the east coast, therefore conducive conditions for the success of the bar will be available over there. Nevertheless, the ideal location of a bar catering to a wide range of customer needs for products and services depends on a plethora of factors.

1. It will be based in a trendy area of the town or city.
2. Due speculation will be done on the neighborhood turnaround.
3. Hard to find addresses or remote / far-flung areas for opening the bar will be avoided.
4. The bar will not be in a zone which is under permanent construction.
5. Considering that bars tend to be cash rich and a tempting target for robbers and thieves, therefore security concerns will also be given due diligence
6. Availability of a large parking lot near the bar will be ensured.

#### Promotion

Utilization of a cognitive message propagation strategy, whose sole focus is directed upon the quality and quantity of the information presented to the customer, the bar will also allocate a corner on its floor to provide customers knowledge of the complex liquor products and persuade them to enrich their taste buds with the best combinations of wines. Various marketing campaigns will also be conducted across local communities and through social media and the theme of such campaigns will revolve around ‘lowest priced liquor guarantee.’

#### People

Dan Murphy’s integrates a high level of involvement within their multifaceted product delivery. From a front stage perspective, minimum standards are established in terms of staff knowledge, with ‘product experts’ allocated to specialize in product lines i.e. wine. Deploying extensive product knowledge to customers is utilized to enhance the customer experience and ensure ‘moments of truth’ consistently provide value and facilitate customer satisfaction. ​(Martin, 2019) ​This in turn reinforces long standing customer-employee relationships, which can translate to customer loyalty. Thus, backstage activities for Dan Murphy’s involve educating staff on products, in order to effectively deliver the service encounter with minimal variability. ​(Glushko & Tabas, 2009).

The bar will also observe great care in the employment of bartenders and the person fulfilling a specific criteria of possessing the following skills will be made part of the work force of the bars. Some particular characteristics are listed as below:

1. Good communication skills
2. Outgoing personality
3. A good memory
4. Physical fitness
5. Stamina to work for long hours
6. Tenacity and diplomacy to steer through difficult situations

#### Process

High involvement in the staff-customer relationship because of arising difficulty in the purchase decisions is mandatory. This thing will be a fundamental purview when the bartenders will be trained and the dynamics of the bar during heavy drinking periods will be laid out. Dan Murphy’s provides an extensive range of products all within the purchasing power of its target markets, therefore ultimate customer satisfaction will only be achieved if the staff is present at all times to assist the customers in their final decisions regarding purchase of wine.

The bar staff will ensure that there is little difference between the purchase intention and purchase behavior of the customer and the bar visitors. There will be extremely low variations in the quality of the service and only through proper training and multiple reassurances of the hiring agencies, will the bartenders be hired in the bar.

#### Physical Evidence

For the easy facilitation of the desires of various customers and in the pursuit of efficiency, there will be dedicated sections for each product lines in the bar and the aisles will also have proper labels regarding price and the type of occasion that they will best suit. Luxurious wines will be separated from the routine red or white ones, similarly the bartenders will take great care in acknowledging the needs of different customers on the basis of differences in their ages. For instance, the fresh graduates coming to party will have a different preference than a nine to five white collar, who is coming to relax himself after a day’s worth of hard work and brainstorming.

## Implementation and Control Issues

Some Key Performance Indicators for each element of the marketing mix are as follows:

Product:

* Accessibility of all the product ranges in the bar available for the customer
* Maintenance of quality as perceived in-stores
* Number of units sold per product
* Most tasted and tried products
* Most sold products
* Performance of the products (Why wine A is getting more outreach than wine B?)
* Supply chain management of the bar

Price

* Sales revenue
* Costs of marketing campaign
* Return on investment
* How much did the live streaming lead to purchases?
* Translation of marketing campaigns into sales of the product and visits to the bar
* Pay-per-clicks through inline advertisements

Place

* Number of products sold per bar location
* Volume of sales per bar location
* Revenue generation per bar location

Promotion

* Traffic on the up-dated website of the bar
* Number of likes, shares and reposts of the instagram posts of the bar
* Number of views on the YouTube channel of the bar

People

* Feedback based on customer surveys

Process

* Smooth operations of the bar
* Deliverance of the service
* Efficient working of the system

Physical Evidence

* Confirmation of the physical evidence with the customers’ assumptions
* Testimonies from the customers
* After the initial year, launch of a documentary incorporating the reviews of the bar visitors and customers of Dan Murphy’s

Control issues after reviewing the PEST analysis which expresses apprehensions about the growth of the business regarding political, economic, social, and technological factors are also predicted. Careful evaluation will be done by Dan Murphy’s on every step taken and compliance to every single regulation will be observed.

# Conclusion

In summary, this marketing plan, if implemented properly will pave the way for boosting the market power of Dan Murphy’s in a very short period of time. Each element of the marketing mix will work in coordination along with up-to-date marketing strategies and campaigns, giving the customers an enriching experience upon their visit to the bar. Key performance indicators will be measured on a regular basis and compliance to the rules of concerned regulatory authorities will be strictly observed.

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