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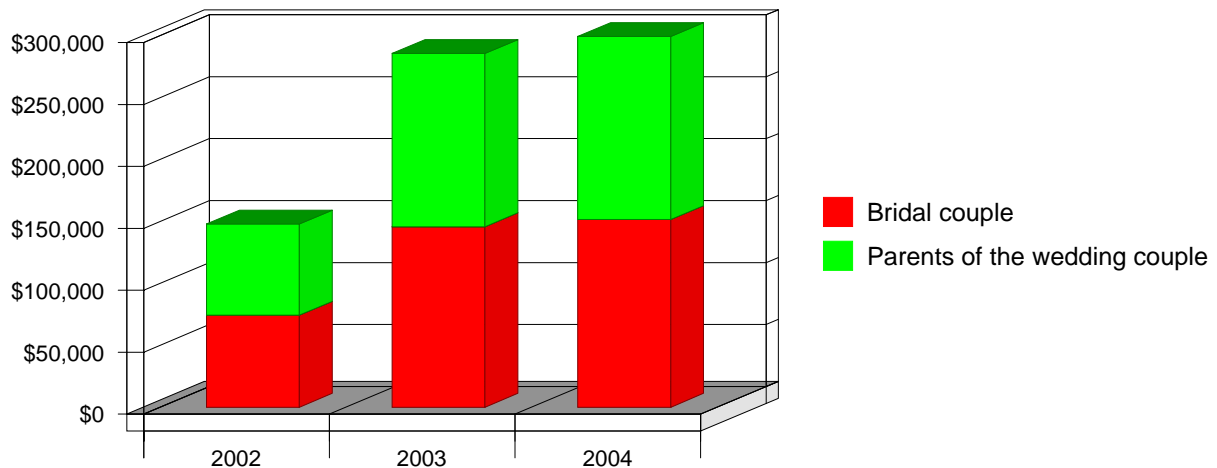
## 1.0 Executive Summary

Recycled Dreams is a bridal repository that specializes in the rental of dresses for the bride and female attendees of weddings. Traditionally, dresses for the wedding parties were always bought, nobody rented them. As people's disposable income continues to decrease, people are looking for new ways to save money when it comes to extravagant occasions such as weddings.

Additionally, the bridesmaids in particular never really wanted to own their bridesmaid's dress, regardless if they had to spend their money on it or it was a gift. Normally the dresses are not the prettiest and they can be used only once. For these reasons it is wasteful to have to buy a new dress every time that you are in a wedding party. Common sense is beginning to overcome this contrived fashion faux pas as people are finally becoming more careful with their money.

Recycled Dreams has a unique opportunity to be the only bridal wear rental service provider in Portland. Recycled Dreams will seize this opportunity and is forecasted to reach profitability by month 10 and achieve profits of \$32,000 by year two.

### Annual Sales Forecast



## 2.0 Situation Analysis

Recycled Dreams is entering its first year of operation. Through market research including focus groups, it appears the idea will be well received and marketing is now crucial for developing visibility. The store offers wedding dresses and accessories for rent. The basic market need is the ability to rent wedding dresses as opposed to the customary practice of having to purchase them for only one day.

## 2.1 Market Summary

Recycled Dreams possesses good information about the market and knows a great deal about the different target customers. This information will be leveraged to better serve the customers. Recycled Dreams will attempt to determine the customer's specific needs, and how it can better communicate with them.

### Target Markets

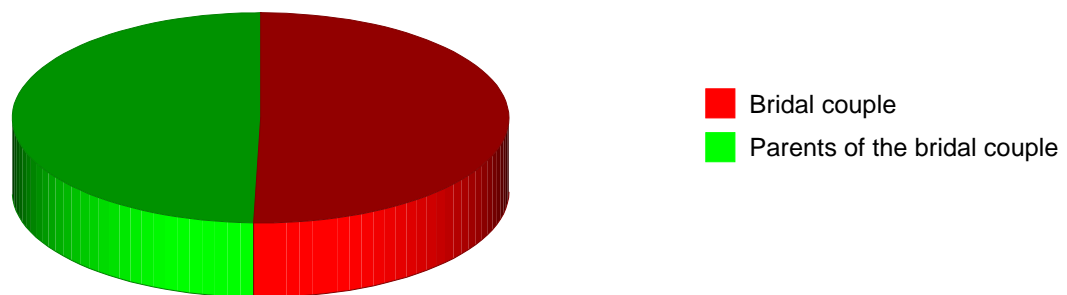


Table 2.1: Target Market Forecast

Target Market Forecast							
Potential Customers	Growth	2002	2003	2004	2005	2006	CAGR
Bridal couple	9%	114,584	124,897	136,138	148,390	161,745	9.00%
Parents of the bridal couple	8%	112,547	121,551	131,275	141,777	153,119	8.00%
Total	8.51%	227,131	246,448	267,413	290,167	314,864	8.51%

### 2.1.1 Market Demographics

The profile for the Recycled Dreams' customer consists of the following geographic, demographic, and behavior factors.

#### Geographics

- The immediate geographic target is the city of Portland with a population of 1.3 million.
- A 60-mile radius will be served.
- The total targeted population is estimated at 227,131.

#### Demographics

- Primarily female, 93%.
- Ages 22-50. The largest subgroup of this demographic is 24-31 year old female brides-to-be.
- Have an income of \$25,000-\$65,000.

- Only 45% of the customers (individuals, not parents) have a college education.
- Over 73% of the parent customers have a college degree.
- For 89% of the people, this is their first wedding.

## Behavior factors

- Are conscious of the money that they spend and are looking for ways to maximize its buying power.
- Do not have a strong affinity for custom just for the sake of custom itself.
- "Practicality over tradition."

## 2.1.2 Market Needs

Recycled Dreams is providing its customers with reasonable, practical, alternatives to purchasing wedding dresses. Tradition is the only thing that demands a wedding party purchase the dresses. Practicality is forcing people to reconsider this blindly accepted premise. Recycled Dreams seeks to fulfill the following benefits that are important to customers.

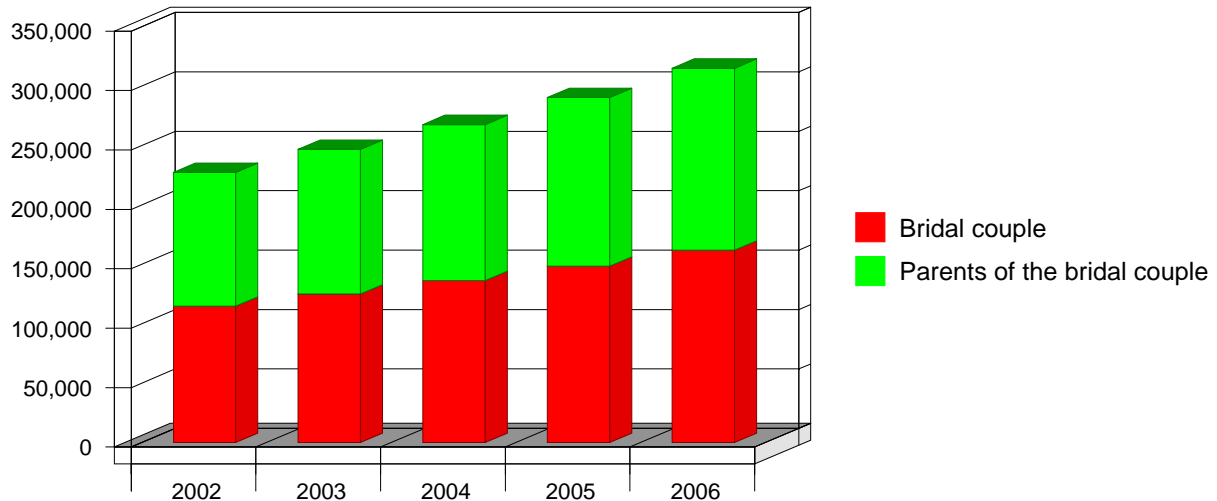
- **Selection-** A wide choice of dresses and accessories are offered.
- **Affordability-** The pricing structure will provide high quality merchandise at reasonable fees.
- **Customer service-** Choosing and fitting dresses is not easy, therefore Recycled Dreams will hold the customer's hand as they journey through this monumental process.

## 2.1.3 Market Trends

While a few larger cities have seen the emergence of rental dresses, these are primarily progressive cities on the west coast, namely San Francisco, Los Angeles, and Seattle. This is typical of many trends, which start on the west coast and move eastward. Because the purchase of wedding dresses is so rooted in tradition, it has truly taken a while to see the emergence of these practical, logical solutions to the traditional squandering of resources for ugly dresses.

This trend is analogous to the trend of tuxedo rentals, begun over 40 years ago. It is understandable why tuxedos began to be rented first, relative to dresses. They are much more standard in appearance, therefore overhead costs are lower because there is not the need for many different styles. While this makes tuxedos more efficient to rent relative to dresses, all dress rental companies operate on a relatively level playing field (in terms of requiring the same amount of overhead) so there is not a relative advantage among the dress rental companies.

**Market Forecast**

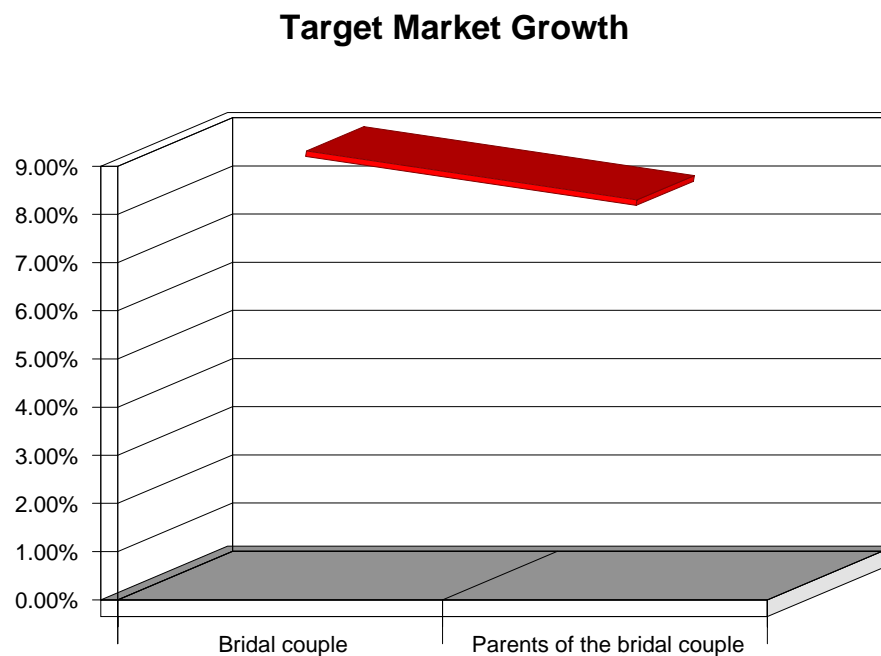


## 2.1.4 Market Growth

This market is brand new. Currently, there are only eight different west coast companies that rent wedding dresses. These companies have grown quickly, from three to eight within a year. Almost all weddings utilize dresses so the demand is there. All that is required is the willingness to be guided by practicality and break away from tradition.

The current pioneers have seen 35% increases in sales per month. The only thing that has been holding them back is awareness. When the right demographic hears about the idea of renting wedding dresses, they are very enthusiastic about this and quickly sign up.

Recycled Dreams has forecasted explosive growth within the industry. Granted there will be a learning or awareness curve as people become familiar with the industry, but once awareness has been generated, growth is exponential.



## 2.2 SWOT Analysis

The following SWOT analysis captures the key strengths and weaknesses within the company, and describes the opportunities and threats facing Recycled Dreams.



## 2.2.1 Strengths

- First to market in Portland.
- A practical, efficient way to have a wedding while minimizing sunk costs.
- High quality products.
- Outstanding alterations allowing all products to be fit to the wide variety of body types.

## 2.2.2 Weaknesses

- The company lacks visibility.
- The whole industry is so cutting edge it lacks consumer awareness.
- The requirement to generate awareness, not only about the company, but for the industry as a whole.

## 2.2.3 Opportunities

- Similar companies in other markets have seen explosive growth.
- Rationality.

## 2.2.4 Threats

- Conservatism.
- Traditionalism.
- Competition.

## 2.3 Competition

Recycled Dreams' main competition comes from traditional bridal stores. These stores can be broken down into a couple of types:

- **Franchise stores**- These shops are national or regional franchises that use the buying power of a multi-shop establishment to lower prices as well as increase selection.
- **Sole proprietor shops**- This style is a single outlet. It is hard to categorize much beyond this. There are some high-end independent shops as well as some budget ones. These stores are often relying on knowledge of local tastes as well as being a member of the community.

Currently, Portland has no bridal wear rental facilities (the nearest is in Seattle). There are rental facilities for men's wear such as tuxedos, however, the rental trend has not extended to bridal wear. Entrepreneurs have been afraid to venture into women's rentals out of fear that women are too fashion conscious to be willing to risk a social faux pas by renting a wedding gown and bridesmaid dresses.

As people's finances become tighter and tighter, women are making critical decisions on how they spend their money. As disposable income becomes a scarce resource, they are, now more than ever, willing to sacrifice someone else's petty and inconsequential opinions, and embrace the idea of wearing a rental gown in return for freeing up their cash for other purposes.

## 2.4 Services

Recycled Dreams will provide rentals for all the necessary dresses required for a wedding including the bridal gown, bridesmaid dresses, matron or maid of honor dresses, and flower girl dresses. In addition to the dresses, shoes and accessories will be rented as well. These items are particularly useful for rentals because: the dresses are already chosen for the bridesmaids so they have no say in the matter, the dresses are only worn once for that specific occasion, often the bridesmaids, etc. have to pay for the dress themselves, and lastly most bridesmaids hate their dress so there is little reason to buy it for storage in the closet for the following 10 years. Recycled Dreams has an on-staff seamstress to make any necessary alterations .

The bridal dress, headpiece, and veil can be rented or purchased depending on the whim of the bride. Often the bride will want to purchase and keep these items as there is a strong emotional connection with the dress from their wedding.

In addition to the dresses which can be rented or bought, Recycled Dreams will have formed strategic relationships with local service providers for the following services: invitations, flowers, cake, catering, photographer, and travel arrangements for the honeymoon. All of these service providers are researched and tested to ensure top-level service. For each referral made to the strategic partners, Recycled Dreams will receive a small commission.

## 2.5 Keys to Success

- **Selection-** A wide selection of dresses must be offered otherwise the idea will be shunned because it will be too pedestrian. Customers do not mind renting a dress, they will however mind renting the same dress as their neighbor, and their neighbor, and their neighbor.
- **Professional alterations-** While the dresses are to be used by a wide range of people, they must fit each current customer impeccably. If the dress doesn't, then the sub-par nature of the rental becomes all too obvious .
- **Professionalism-** When people are making decisions regarding their wedding, they do not want to feel like they are cattle being herded through the corral. Professionalism and customer attention is required to make each customer feel like this is their special occasion.

## 2.6 Critical Issues

Recycled Dreams is in the infancy of an industry and must act accordingly. While the whole business model is quite progressive and risky, business decisions should be prudent. It is one thing to be cutting edge, it is another thing to act fiscally foolish. Recycled Dreams will pursue growth in a rational, prudent manner.

## 3.0 Marketing Strategy

Marketing will be an indispensable activity due to the newness of the industry. In order to raise awareness about Recycled Dreams and the industry itself, Recycled Dreams will undertake several different activities. Advertising will be accomplished through several mediums. Additionally, a website will be developed.

### 3.1 Mission

Recycled Dreams' mission is to provide cost effective use of bridal dresses and accessories for weddings. We exist to attract and maintain customers. When we adhere to this maxim, everything else will fall in to place. Our services will exceed the expectations of our customers.

### 3.2 Marketing Objectives

- Maintain steady, high rates of growth each month.
- Generate an increase in referrals monthly.
- Build the industry into a legitimate alternative to dress purchases.

### 3.3 Financial Objectives

- Profitability by the end of year one.
- Reduce overhead through operating efficiencies and general learning curve knowledge.
- Increase profit margins by 2% every two quarters for the first two years.

### 3.4 Target Marketing

Recycled Dreams will be targeting low- to middle-income brides-to-be as well as the parents of the bride. Traditionally, it is the parents of the bride who are responsible for the costs associated with the wedding. Not everyone follows tradition however, and it is increasingly becoming the trend for the wedding couple to be responsible for the costs associated with the wedding production. For this reason both the couple and the bride's parents will be targeted.

The wedding couple is likely to be interested in the rental of attendee's bridal wear because the couple is usually young, just getting started, not yet financially secure. A wedding in general is a large expense, and the couple is typically looking for ways in which costs can be cut, yet have no real effect on the event. In addition, the couple has other financial responsibilities such as the rings and the honeymoon that they must save up for, so money is obviously tight. Even if the couple does not pay for the rentals and pass the costs onto the attendees, the attendees are likely to be in similar financial conditions as the couple and could in theory put the money saved from the rental into a nicer gift.

The other group that will be targeted is the parent's of the bride. This segment is likely to appreciate the option of renting bridal wear instead of purchasing it for several reasons. They are likely to recognize that the attendees of the bridal party do not typically care about the dresses that they must wear. With this in mind, they are more likely to spend the saved money from the rental on some other expense in the wedding that will be more meaningful. They may also choose the renting option as a way to save the money. As many know, weddings can get very expensive, upwards of \$20,000 - \$30,000 is not unheard of. Saving a few thousand dollars is certainly appealing.

## 3.5 Positioning

Recycled Dreams will position itself as the sensible and economical alternative to the traditional purchase of wedding wear. This is a brand new industry and Recycled Dreams, as the first to market in Portland, will leverage their competitive edges to achieve the desired positioning.

- Recycled Dreams' competitive edge is a service offering that has been shunned by the Portland market providers. As indicated before, it is the business owners or entrepreneurs that are shunning the concept, not the consumers. For this reason, having a service offering that supports a latent demand is truly a competitive advantage.
- Recycled Dreams' other competitive advantage is their recognition that superior customer attention is required to succeed. This holds true for two fundamental reasons:
  1. A business can only succeed if it meets or exceeds its customers' needs. A company might offer the most wonderful service in the world, but if it does not meet the customers' needs, the business will not survive.
  2. In the bridal industry traditional repeat customers are unusual. More often than not, people only get married once, or rather, they have only one large traditional wedding, and subsequent weddings are less elaborate affairs. What frequently happens is that married couples, on the occasion of their single friends' weddings, give referrals to those providers who gave exemplary service.

With this in mind, a lot of business will be based on referrals from already married couples. Offering the highest customer service will ensure a steady stream of referrals.

## 3.6 Strategy Pyramids

The single objective is to position Recycled Dreams as the chosen alternative to buying wedding gowns and dresses. The marketing strategy will be to create customer awareness, develop the customer base, and build customer loyalty and referrals. The objective will be achieved through a multi-faceted marketing campaign.

The first facet is the use of advertising. One form of advertising will be in the local newspaper quarterly wedding section. An additional source for advertising is in the same newspaper, *The Oregonian*, but at shorter, regularly occurring intervals. This advertising will serve to generate awareness.

Advertising will also take place within the several national wedding magazines such as *The Bride* and *Martha Stewart's Weddings*. These ads will serve to generate visibility for the industry in general. While a national magazine has steep advertising rates, Recycled Dreams will be entering into cooperative agreements with the other pioneers in the industry to help diffuse costs. This is attractive to the other market participants as it generates awareness for the industry as a whole.

The last facet of the communication campaign is the use of the website. The website will be useful for the dissemination of information because it allows people to collect information and educate themselves on their own time and schedule. The website will be a rich source of information regarding the product, prices and the industry in general.

These different communication methods will be useful in legitimizing the concept and driving sales.

## 3.7 Marketing Mix

Recycled Dreams' marketing mix is comprised of the following approaches to pricing, distribution, advertising and promotion, and customer service.

- **Pricing**- The services will be priced below the alternative of purchasing the garments.
- **Distribution**- All services will be administered from the company's store.
- **Advertising and Promotion**- Advertisements in different media as well as a website will be used.
- **Customer Service**- Recycled Dreams recognizes that a wedding is a once in a lifetime occasion and will treat customers like they are royalty.

## 3.8 Marketing Research

During the development phases of the marketing plan, several focus groups were held to gain valuable insight into customer preferences and buying decisions. A total of three focus groups were held. One with each of the two target markets and a third with members of both target markets present.

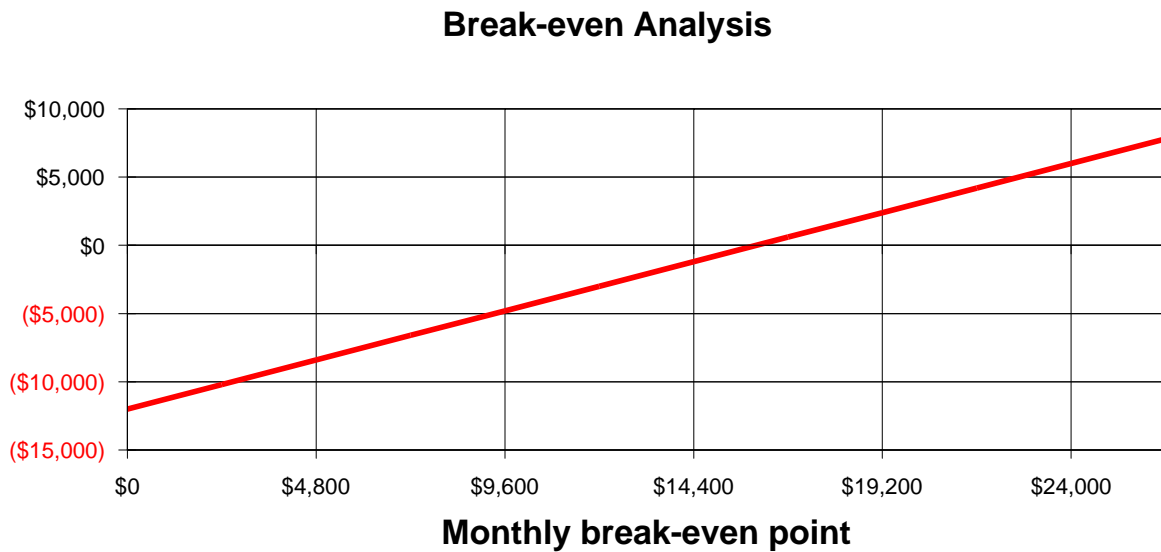
The focus groups presented the participants with the general business proposition of wedding wear rentals and feedback was collected. In addition to a free-for-all discussion, there was a list of specific questions that was asked of all three focus groups. The results of the focus groups were invaluable, with many of their suggestions eventually incorporated into the current business model.

## 4.0 Financials, Budgets, and Forecasts

This section will offer a financial overview of Recycled Dreams as it relates to the various marketing activities, addressing break-even analysis, sales forecasts, and expense forecasts.

### 4.1 Break-even Analysis

The break-even analysis indicates that \$16,000 is needed in monthly revenue to reach the break-even point.



Break-even point = where line intersects with 0

**Table 4.1: Break-even Analysis**

Break-even Analysis:	
Monthly Units Break-even	20
Monthly Sales Break-even	\$16,000
Assumptions:	
Average Per-Unit Revenue	\$800.00
Average Per-Unit Variable Cost	\$200.00
Estimated Monthly Fixed Cost	\$12,000

## 4.2 Sales Forecast

The first month will be used to set up the store front, interview and hire employees and start up a media campaign to build awareness. Month two will see some sales activity but not a lot as people are just becoming aware of Recycled Dreams. Month four will see an increase in sales and subsequent months will build off of month four's sales.

### Monthly Sales Forecast

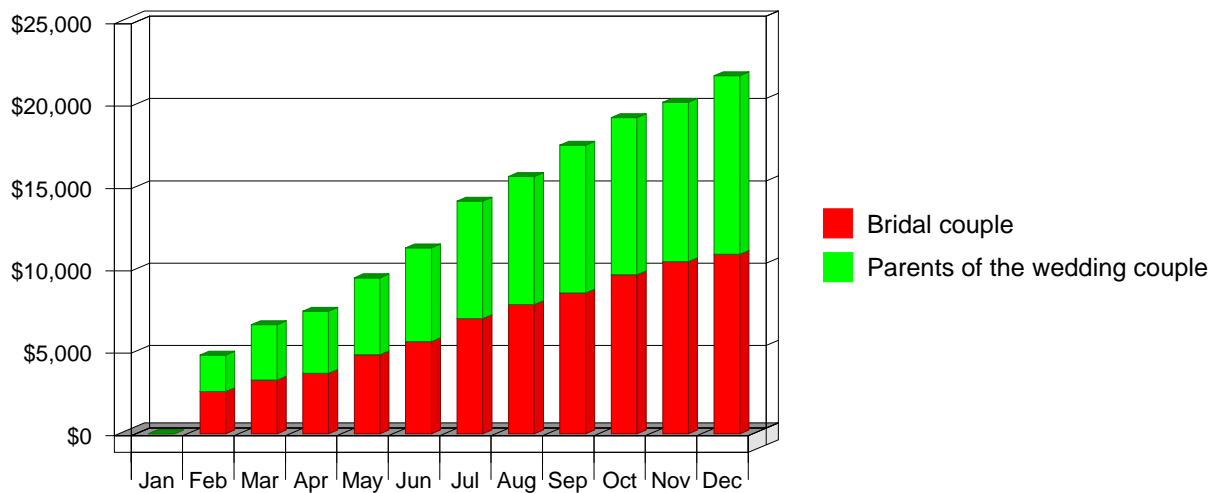


Table 4.2: Sales Forecast

Sales Forecast			
Sales	2002	2003	2004
Bridal couple	\$74,208	\$145,744	\$151,474
Parents of the wedding couple	\$73,636	\$139,874	\$147,875
Total Sales	\$147,844	\$285,618	\$299,349
Direct Cost of Sales			
Bridal couple	\$18,552	\$36,436	\$37,869
Parents of the wedding couple	\$18,409	\$34,969	\$36,969
Subtotal Cost of Sales	\$36,961	\$71,405	\$74,837

## 4.3 Expense Forecast

The marketing expenses will be forecasted to start high during the first quarter of the year to increase visibility for the start-up organization. They will continue to grow into the summer, the most active time for weddings. By the fall they will recede a bit.

### Monthly Expense Budget

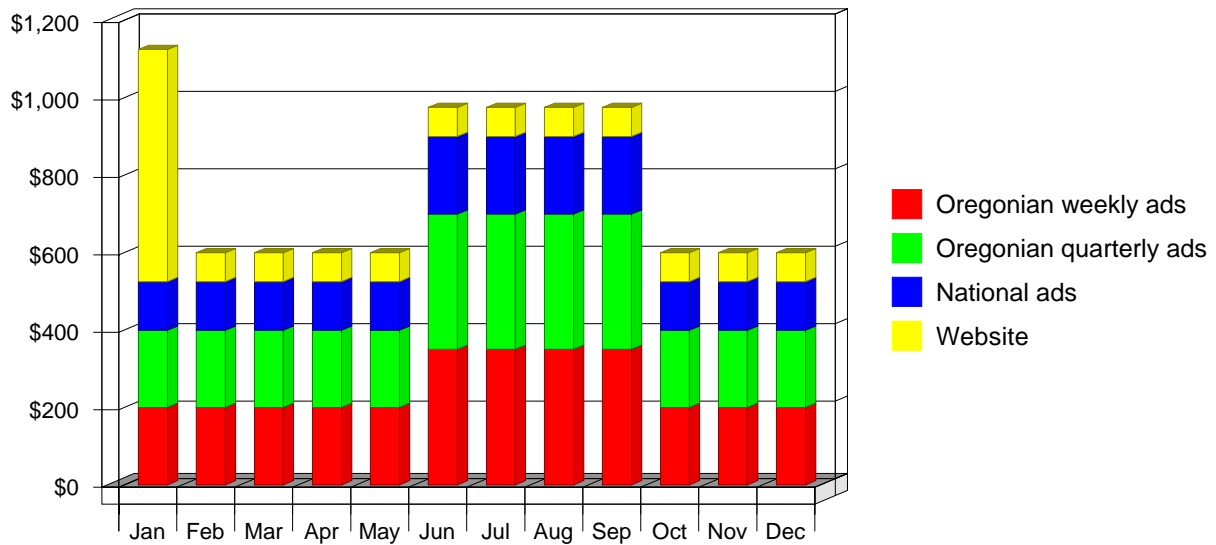


Table 4.3: Marketing Expense Budget

Marketing Expense Budget	2002	2003	2004
Oregonian weekly ads	\$3,000	\$4,500	\$5,000
Oregonian quarterly ads	\$3,000	\$4,500	\$5,000
National ads	\$1,800	\$1,500	\$1,000
Website	\$1,425	\$1,300	\$1,300
<hr/>			
Total Sales and Marketing Expenses	\$9,225	\$11,800	\$12,300
Percent of Sales	6.24%	4.13%	4.11%
Contribution Margin	\$101,658	\$202,414	\$212,212
Contribution Margin / Sales	68.76%	70.87%	70.89%



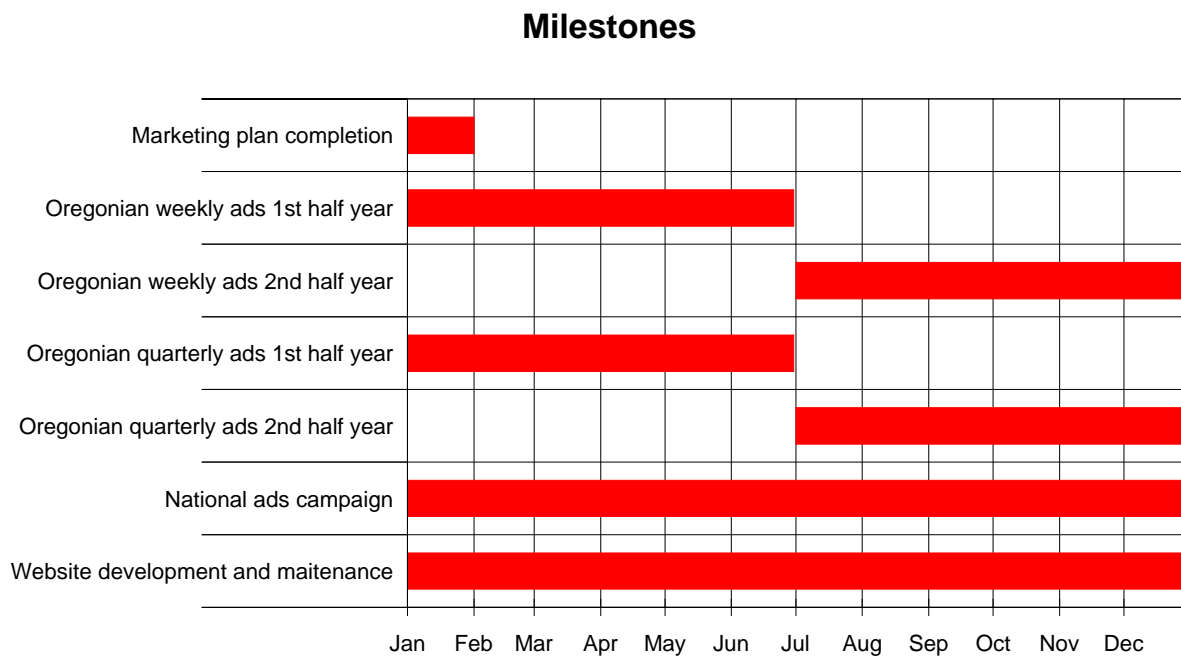
## 5.0 Controls

The purpose of Recycled Dreams' marketing plan is to serve as a guide for the organization. The following areas will be monitored to track performance:

- Revenue- monthly and annual.
- Profit margin- monthly and annual.
- Customer referrals.
- Customer satisfaction.

## 5.1 Implementation Milestones

The following milestones identify the key marketing programs. It is important to accomplish each one on time and on budget.



**Table 5.1: Milestones**

Milestones	Plan					
Milestone	Start Date	End Date	Budget	Manager	Department	
Marketing plan completion	1/1/02	2/1/02	\$0			
Oregonian weekly ads 1st half year	1/1/02	6/30/02	\$1,350			
Oregonian weekly ads 2nd half year	7/1/02	12/31/02	\$1,650			
Oregonian quarterly ads 1st half year	1/1/02	6/30/02	\$1,350			
Oregonian quarterly ads 2nd half year	7/1/02	12/31/02	\$1,650			
National ads campaign	1/1/02	12/31/02	\$1,800			
Website development and maintenance	1/1/02	12/31/02	\$1,425			
Totals			\$9,225			

## 5.2 Marketing Organization

Owner Connie Jugal will be primarily responsible for the marketing activities. Connie will seek help from an outside agency for advertising expertise. Website development, hosting, and search engine placement will be outsourced to a strategic partner, 1st-At-The-Top.com Internet and E-commerce Consultants, [www.1st-At-The-Top.com](http://www.1st-At-The-Top.com).

## 5.3 Contingency Planning

Difficulties and Risks:

- A slow first year that will put a strain on cash flow.
- Excessive wear and tear placed on the rental garments.

Worst case scenarios may include:

- A seemingly outright rejection by the market of rental wedding wear.
- Having to liquidate stock of garments to cover liabilities.

## Appendix: Recycled Dreams- A Bridal Repository

Table 4.2 Sales Forecast

Sales Forecast	Plan											
Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Bridal couple	\$0	\$2,547	\$3,254	\$3,654	\$4,789	\$5,587	\$6,987	\$7,845	\$8,547	\$9,654	\$10,457	\$10,887
Parents of the wedding couple	\$0	\$2,214	\$3,356	\$3,785	\$4,678	\$5,687	\$7,125	\$7,765	\$8,978	\$9,545	\$9,658	\$10,845
Total Sales	\$0	\$4,761	\$6,610	\$7,439	\$9,467	\$11,274	\$14,112	\$15,610	\$17,525	\$19,199	\$20,115	\$21,732
Direct Cost of Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Bridal couple	\$0	\$637	\$814	\$914	\$1,197	\$1,397	\$1,747	\$1,961	\$2,137	\$2,414	\$2,614	\$2,722
Parents of the wedding couple	\$0	\$554	\$839	\$946	\$1,170	\$1,422	\$1,781	\$1,941	\$2,245	\$2,386	\$2,415	\$2,711
Subtotal Cost of Sales	\$0	\$1,190	\$1,653	\$1,860	\$2,367	\$2,819	\$3,528	\$3,903	\$4,381	\$4,800	\$5,029	\$5,433

## Appendix: Recycled Dreams- A Bridal Repository

Table 4.3 Marketing Expense Budget

Marketing Expense Budget	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Oregonian weekly ads	\$200	\$200	\$200	\$200	\$200	\$350	\$350	\$350	\$350	\$200	\$200	\$200
Oregonian quarterly ads	\$200	\$200	\$200	\$200	\$200	\$350	\$350	\$350	\$350	\$200	\$200	\$200
National ads	\$125	\$125	\$125	\$125	\$125	\$200	\$200	\$200	\$200	\$125	\$125	\$125
Website	\$600	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75
Total Sales and Marketing Expenses	\$1,125	\$600	\$600	\$600	\$600	\$975	\$975	\$975	\$975	\$600	\$600	\$600
Percent of Sales	0.00%	12.60%	9.08%	8.07%	6.34%	8.65%	6.91%	6.25%	5.56%	3.13%	2.98%	2.76%
Contribution Margin	(\$1,125)	\$2,971	\$4,358	\$4,979	\$6,500	\$7,481	\$9,609	\$10,733	\$12,169	\$13,799	\$14,486	\$15,699
Contribution Margin / Sales	0.00%	62.40%	65.92%	66.93%	68.66%	66.35%	68.09%	68.75%	69.44%	71.87%	72.02%	72.24%