

Internet Coffee Shop Marketing Plan

HiFlex Physio

Important

Throughout this document, 20XX is used to represent the current year of HiFlex Physio' operations. 20 XX+1, 20XX+2, and so on are used to represent the following years of operation

Executive Summary

The goal of this marketing plan is to outline the strategies, tactics, and programs that will make the sales goals outlined in the HiFlex Physio Café business plan a reality in the year 20XX.

HiFlex Physio Café, unlike a typical café, provides a unique forum for communication and entertainment through the medium of the Internet. HiFlex Physio Café is the answer to an increasing demand. The public wants:

1. Access to methods of communication and volumes of information now available on the Internet

2. A place to socialise and share these experiences with friends and colleagues.

Marketing will play a vital role in the success of HiFlex Physio Café. HiFlex Physio Café must build a brand around the services it offers by heavily promoting itself through local television, radio, and print advertising. Marketing efforts are just beginning by the time a potential customer enters HiFlex Physio Café for the first time. A strong emphasis will be put on keeping customers and building brand loyalty through programs focused on staffing, experience, and customer satisfaction.

Our target markets include:

- Students from nearby housing centres
- Business people from the downtown business centres and professional buildings
- Seniors from nearby retirement facilities.

Situation Analysis

HiFlex Physio Café just opened its doors for business in 20XX when the HiFlex Physio Centre opened. Business is good, and customers have been impressed with our offerings, but we need to focus our efforts on implementing the strategies, programs, and tactics outlined in the original business plan.

Differentiating ourselves from other more traditional cafés has given us the ability to effectively compete on the beverage and pastry side of the business with the already entrenched competition. Sales are brisk and in-line with projections.

The Internet services side of the business is rapidly being accepted by the local community. Memberships are meeting the projections outlined in the business plan, and sales of Internet services are meeting the goals forecast. Students love to gather for late-night sessions, nearby seniors are getting a glimpse of what the Internet offers and local business people love to stop by for a quick bite and an email check.

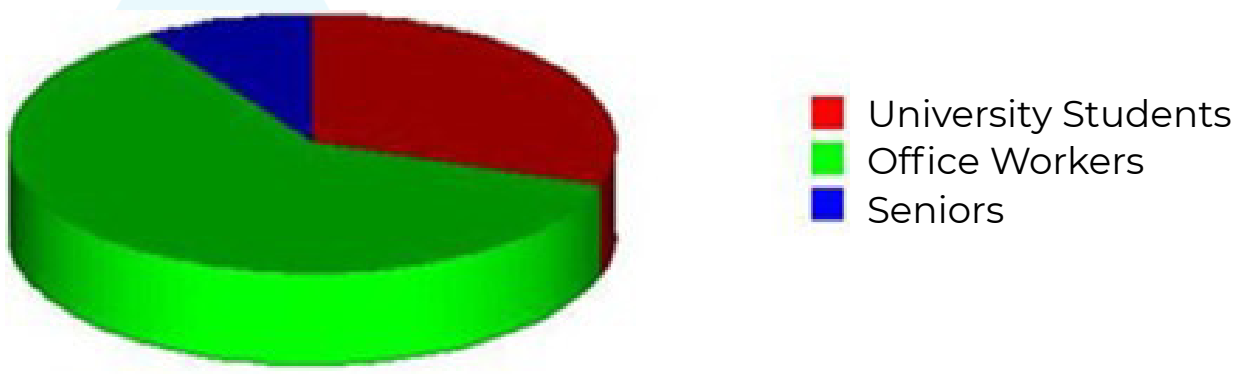
Market Summary

HiFlex Physio Café is faced with the exciting opportunity of being the first-mover in the local cyber-café market. The consistent popularity of coffee, combined with the growing interest in the Internet, has been proven to be a winning concept in other markets and will produce the same results here.

All three (3) target markets for the HiFlex Physio Café service are growing at a relatively fast pace. We're faced with a large number of potential customers, and we're offering a needed service.

Target Market Growth

- University students continue to grow at a steady pace, at nearly 4%
- Office workers in the downtown area and nearby professional buildings continue to add value, growing at 3%
- Seniors are becoming an important part of downtown business, growing at almost 6%
- Teens continue to play a major role in downtown foot-traffic, growing at 2%.



Market Demographics

HiFlex Physio Café's customers can be divided into two (2) groups. The first group is familiar with the Internet and desires a progressive and inviting atmosphere where they can get out of their offices or homes to enjoy a great cup of coffee and Internet access. This group is made up of clients from the fitness classes and business people from nearby downtown offices and professional centres.

The second group is not as familiar with the Internet. This group is made up of seniors from the local retirement centres. There are three (3) large retirement centres in the area, and currently none of them offer Internet access to their residents. Seniors represent a growing segment of Internet users. They use the Internet to communicate with friends and family, and they will be regular users of the HiFlex Physio Café service.

		20XX	20xx+1	20xx+2	20xx+3	20xx+4	
Potential Customers	**Growth**						**CAGR**
University Students	4%	10,000	10,400	10,816	11,249	11,699	4.00%
Office Workers	15%	20,000	20,600	21,218	21,855	22,511	3.00%
Seniors	0%	3,000	3,180	3,371	3,573	3,787	6.00%
Total	28.57%	33,000	34,180	35,405	36,677	37,997	3.59%

Market Needs

Factors, such as addiction, and historical sales data ensure that the high demand for coffee will remain constant over the next five (5) years.

The rapid growth of the Internet and online services that has been witnessed worldwide is only the beginning of a long-lived trend towards an economy built on the infrastructure of the Internet. The potential growth of the Internet is enormous, to the point where one day, a computer terminal with an online connection will be as common and necessary as a telephone or toilet. This may be five (5) or ten (10) years down the road, but for the next five (5) years, the online service provider market is sure to experience tremendous growth. Establishing itself as the first cyber-café in the area, HiFlex Physio Café will enjoy the first-mover advantages of name recognition and customer loyalty. Initially, HiFlex Physio Café will hold a 100 per cent share of the cyber-café market locally. In the next five (5) years, competitors will enter the market. HiFlex Physio Café has set a goal to consistently maintain a market share of greater than fifty (50) per cent.

Market Trends

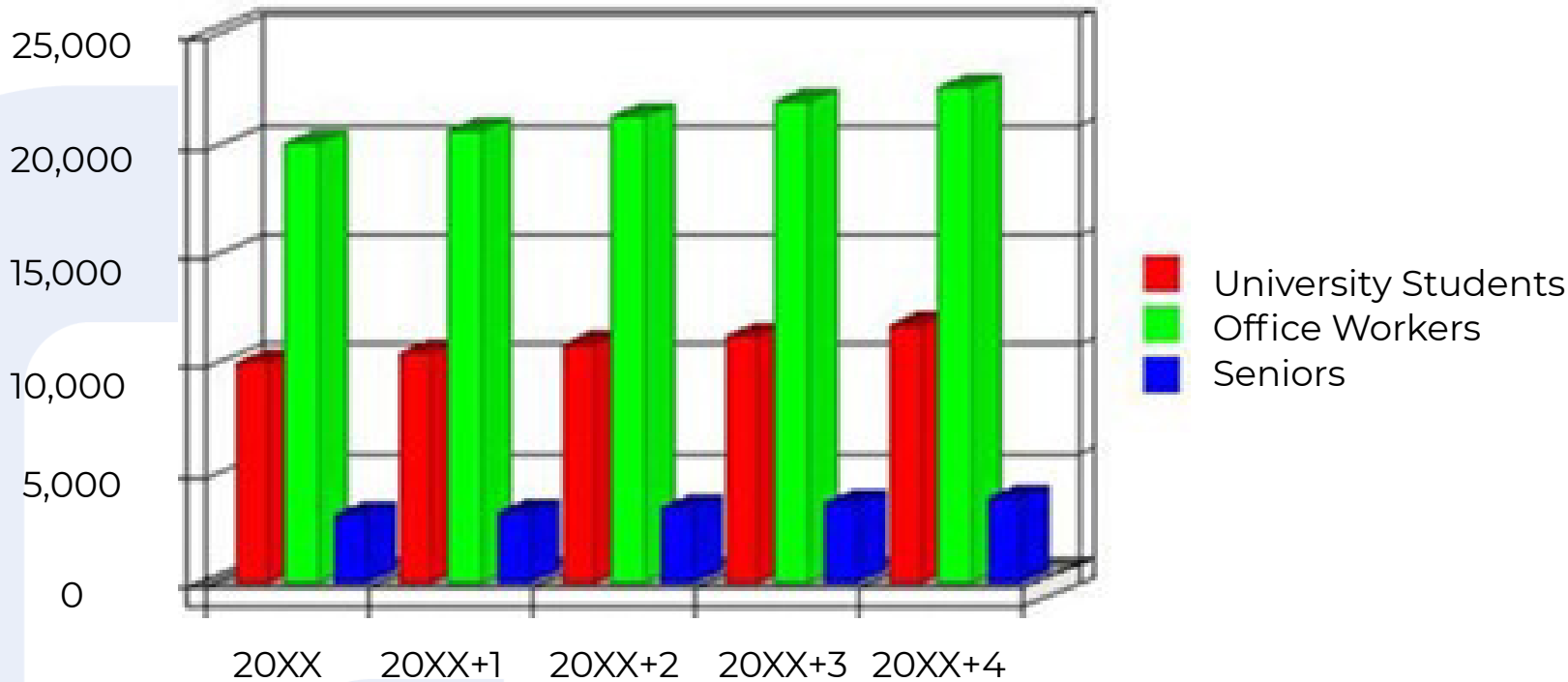
The Internet has become a point of conversation in almost all social groups. People are talking about sites they visited, business people are talking about Internet-based businesses, and kids are talking about the latest Internet clubs and chat rooms. People like to communicate their Internet experiences with their friends, colleagues, and family. However, it can be difficult to do it in front of a computer terminal at the office or in the family study. A comfortable place to gather and share these experiences is becoming a real need.

HiFlex Physio Café will provide:

- A meeting place for business people interested in sharing their Internet-based business ideas
- A social hub for students and young people interested in sharing a beverage and their Internet experiences with friends
- A place for nearby seniors to gather and learn about the powers of the Internet and better communication methods
- A stopping point for travellers in need of an Internet connection.

A market survey was conducted in the autumn of 20XX. Key questions were asked of fifty (50) potential customers. Some key findings include:

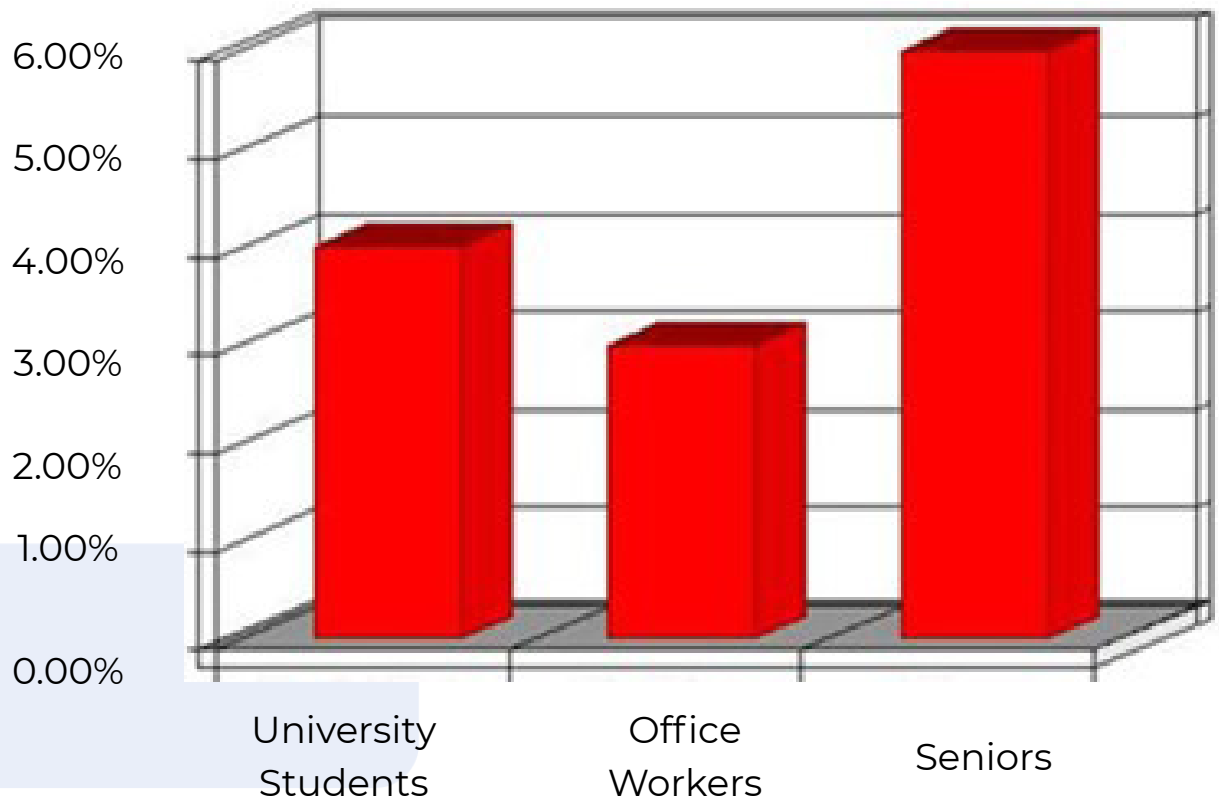
- 35 subjects said they would be willing to pay for access to the Internet
- $2.50 an hour was the most popular hourly Internet fee
- Twenty-four (24) subjects use the Internet to communicate with others on a regular basis.



Market Growth

The market for the services HiFlex Physio Café will offer is growing rapidly. The cyber-café hasn't come to this area yet, but similar services are growing rapidly on a global scale. Large cities that cater to large numbers of travelling business people and tourists have been saturated with businesses offering the services HiFlex Physio Café will offer. Business people use the Internet services to catch up on email and communications with their family, and tourists do the same. Our area supports a population that has many of the same needs and interests of this larger group.

The student population continues to grow as the University grows in popularity with high school graduates from out of state. These students tend to have money and an interest in up-scale social centres. Business in the downtown area is on the rise with the coming completion of the renovated Fifth Street Market and the new Compu-tech facility. HiFlex Physio Café will target these groups with radio and TV spots on local stations.



SWOT Analysis

The SWOT analysis provides us with an opportunity to examine the internal strengths and weaknesses HiFlex Physio Café must address. It also allows us to examine the opportunities presented to HiFlex Physio Café as well as potential threats.

HiFlex Physio Café has a valuable inventory of strengths that will help it succeed. These strengths include: a knowledgeable and friendly staff, state-of-the-art computer hardware, and a clear vision of the market need. Strengths are valuable, but it is also important to realise the weaknesses HiFlex Physio Café must address. These weaknesses include: a dependence on quickly changing technology, and the cost factor associated with keeping state-of-the art computer hardware.

HiFlex Physio Café's strengths will help it capitalise on emerging opportunities. These opportunities include, but are not limited to, a growing population of daily Internet users, and the growing social bonds fostered by the new Internet communities. Threats that HiFlex Physio Café should be aware of include, the rapidly falling cost of Internet access, and emerging local competitors.

Strengths

1. **Knowledgeable and friendly staff:** We've gone to great lengths at HiFlex Physio Café to find people with a passion for teaching and sharing their Internet experiences. Our staff is both knowledgeable and eager to please.

2. **State-of-the art equipment:** Part of the HiFlex Physio Café experience includes access to state-of- the- art computer equipment. Our customers enjoy beautiful flat-screen displays, fast machines, and high- quality printers.

3. Up-scale ambiance: When you walk into HiFlex Physio Café, you'll feel the technology. High backed mahogany booths with flat-screen monitors inset into the walls provide a cosy hideaway for meetings and small friendly gatherings. Large round tables with displays viewable from above provide a forum for larger gatherings and friendly 'how-to' classes on the Internet. Aluminium track lighting and art from local artists sets the mood. Last, but not least, quality cappuccino machines and a glass pastry display case provide enticing refreshments.

4. Clear vision of the market need: HiFlex Physio Café knows what it takes to build an up-scale cybercafé. We know the customers and we know the technology, so we know how to build the service that will bring the two (2) together.

Weaknesses

1. **A dependence on quickly changing technology:** HiFlex Physio Café is a place for people to experience the technology of the Internet. The technology that is the Internet changes rapidly. Product lifecycles are measured in weeks, not months. HiFlex Physio Café needs to keep up with the technology because a lot of the HiFlex Physio Café experience is technology.

2. **Cost factor associated with keeping state-of-the-art hardware:** Keeping up with the technology of the Internet is an expensive undertaking. HiFlex Physio Café needs to balance technology needs with the other needs of the business. One aspect of the business can't be sacrificed for the other.

Opportunities

1. Growing population of daily Internet users: The importance of the Internet almost equals that of the telephone. As the population of daily Internet users increases, so will the need for the services HiFlex Physio Café offers.

2. Social bonds fostered by the new Internet communities: The Internet is bringing people from across the world together unlike any other communication medium. HiFlex Physio Café will capitalise on this social trend by providing a place for smaller and local Internet communities to meet in person. HiFlex Physio Café will grow some of these communities on its own by establishing chat areas and community programs. These programs will be designed to build customer loyalty.

Threats

1. Rapidly falling cost of Internet access: The cost of access to the Internet for home users is dropping rapidly. Internet access may become so cheap and affordable that nobody will be willing to pay for access to it. HiFlex Physio Café is aware of this threat and will closely monitor pricing.

2. Emerging local competitors: Currently, HiFlex Physio Café is enjoying a first-mover advantage in the local cyber-cafe market. However, additional competitors are on the horizon, and we need to be prepared for their entry into the market. Many of our programs will be designed to build customer loyalty, and it is our hope that our quality service and up-scale ambiance won't be easily duplicated.

Competition

The dual product/service nature of HiFlex Physio Café's business faces competition on two (2) levels. HiFlex Physio Café competes not only with coffee retailers, but also with Internet service providers. The good news is that HiFlex Physio Café does not currently face any direct competition from other cyber cafes in the local market. There are a total of three (3) cyber cafés in the state: one (1) located in Portland and two (2) in Ashland.

Heavy competition between coffee retailers creates an industry where all firms face the same costs. There is a positive relationship between price and quality of coffee. Some coffees retail at $8 per 500 grams, while other more exotic beans may sell for as high as $16 per 500 grams. Wholesalers sell beans to retailers at an average of a 50% discount. For example, a pound of Sumatran beans wholesales for $6.95 and retails for $13.95. And as in most industries, price decreases as volume increases.

Service Offering

HiFlex Physio Café will provide its customers with full access to the Internet and common computer programs and equipment. Some of the Internet and computing services available to HiFlex Physio Café customers are listed below:

- Access to external POP3 email accounts
- Customers can sign up for a HiFlex Physio Café email account; this account will be managed by HiFlex Physio Café servers and accessible from computer systems outside the HiFlex Physio Café network
- FTP, Telnet, Gopher, and other popular Internet utilities will be available
- Access to Netscape or Internet Explorer browsers
- Access to laser and colour printing
- Access to popular software applications, like Adobe Photoshop and Microsoft Word.

HiFlex Physio Café will also provide its customers with access to introductory Internet and email classes. These classes will be held in the afternoon and later in the evening. By providing these classes, HiFlex Physio Café will build a client base familiar with its services. The computers, Internet access, and classes wouldn't mean half as much if taken out of the environment HiFlex Physio Café will provide. Good coffee, specialty drinks, bakery goods, and a comfortable environment will provide HiFlex Physio Café customers with a home away from home; a place to enjoy the benefits of computing in a comfortable and well-kept environment.

Keys to Success

The keys to the success for HiFlex Physio Café are:

- The creation of a unique, innovative, up-scale atmosphere that will differentiate HiFlex Physio Café from other local coffee shops and future Internet cafés
- The establishment of HiFlex Physio Café as a community hub for socialisation and entertainment

- The creation of an environment that won't intimidate the novice user. HiFlex Physio Café will position itself as an educational resource for individuals wishing to learn about the benefits the Internet has to offer

- Great coffee and bakery items.

Critical Issues

The risks involved for HiFlex Physio Café are:

- Will there be a continuing demand for the services offered by HiFlex Physio Café?
- Will the popularity of the Internet continue to grow, or is the Internet a fad?
- Will individuals be willing to pay for the services HiFlex Physio Café offers?
- Will the cost of accessing the Internet from home drop so significantly that there will not be a market for Internet Cafes such as HiFlex Physio Café?

Macro Environment

The retail coffee industry in this area experienced rapid growth at the beginning of the decade and is now moving into the mature stage of its life cycle. Many factors contribute to the large demand for good coffee: The student population at the University is a main source of demand for coffee retailers. Current trends in the South reflect the popularity of quality coffee and specialty drinks.

The popularity of the Internet is growing exponentially. Those who are familiar with the information superhighway are well aware of how fun and addicting surfing the Internet can be. Those who have not yet experienced the Internet need a convenient and relaxed atmosphere where they can feel comfortable learning about and utilising the current technologies. HiFlex Physio Café seeks to provide its customers with affordable Internet access in an innovative and supportive environment.

Marketing Strategy

HiFlex Physio Café has three (3) main strategies. The first strategy focuses on attracting novice Internet users. By providing a novice-friendly environment, HiFlex Physio Café hopes to educate and train a loyal customer base.

The second and most important strategy focuses on pulling in power Internet users. Power Internet users are extremely familiar with the Internet and its offerings. This group of customers serves an important function at HiFlex Physio Café. Power users have knowledge and web-browsing experience that novice Internet users find attractive and exciting.

The third strategy focuses on building a social environment for HiFlex Physio Café customers. A social environment that provides entertainment will serve to attract customers that wouldn't normally think about using the Internet. Once on location at HiFlex Physio Café, these customers that came for the more standard entertainment offerings will realise the potential entertainment value the Internet can provide.

Mission

HiFlex Physio Café has one (1) purpose.

HiFlex Physio Café provides communities with the ability to access the Internet, enjoy a cup of coffee, and share Internet experiences in a comfortable environment.

HiFlex Physio Café marketing will consistently build on this mission. Everything we do, from the pricing structure for our services to the ambiance we create, must be done with this mission in mind. We cater to: downtown business people, traveling business people, university students, and seniors. Our ambiance and our services are designed for this clientele and our marketing efforts are focused on capturing this market.

Marketing Objectives

HiFlex Physio Café's marketing objectives for the first three years of operation include:

- Grow total sales by 10% annually
- Diversify the service offering to insulate the business against fluctuations in any one (1) component of the revenue stream
- Build customer loyalty through educational programs
- Maintain a staff of enthusiastic employees excited to share their Internet knowledge with HiFlex Physio Café customers
- Build the HiFlex Physio Café brand to the point where it becomes a household word in the area.

Financials, Budgets, and Forecasts

The marketing plan is built on these truths:

1. The marketing budget is based on a percentage of sales value. Currently, that value is set at 20%.

2. Building a strong brand and brand loyalty is critical to the success of HiFlex Physio Café.

3. Marketing is a critical component of the HiFlex Physio Café business plan.

4. The relationship between marketing dollars spent and revenues generated is positive only to a certain point. We don't feel that a marketing budget based on 20% of sales is close to that point where additional marketing dollars spent won't create additional revenue. If we can manage, we plan to spend more than 20% of sales on marketing in future years. However, we want to keep this relationship in mind as we consider spending more on marketing efforts.

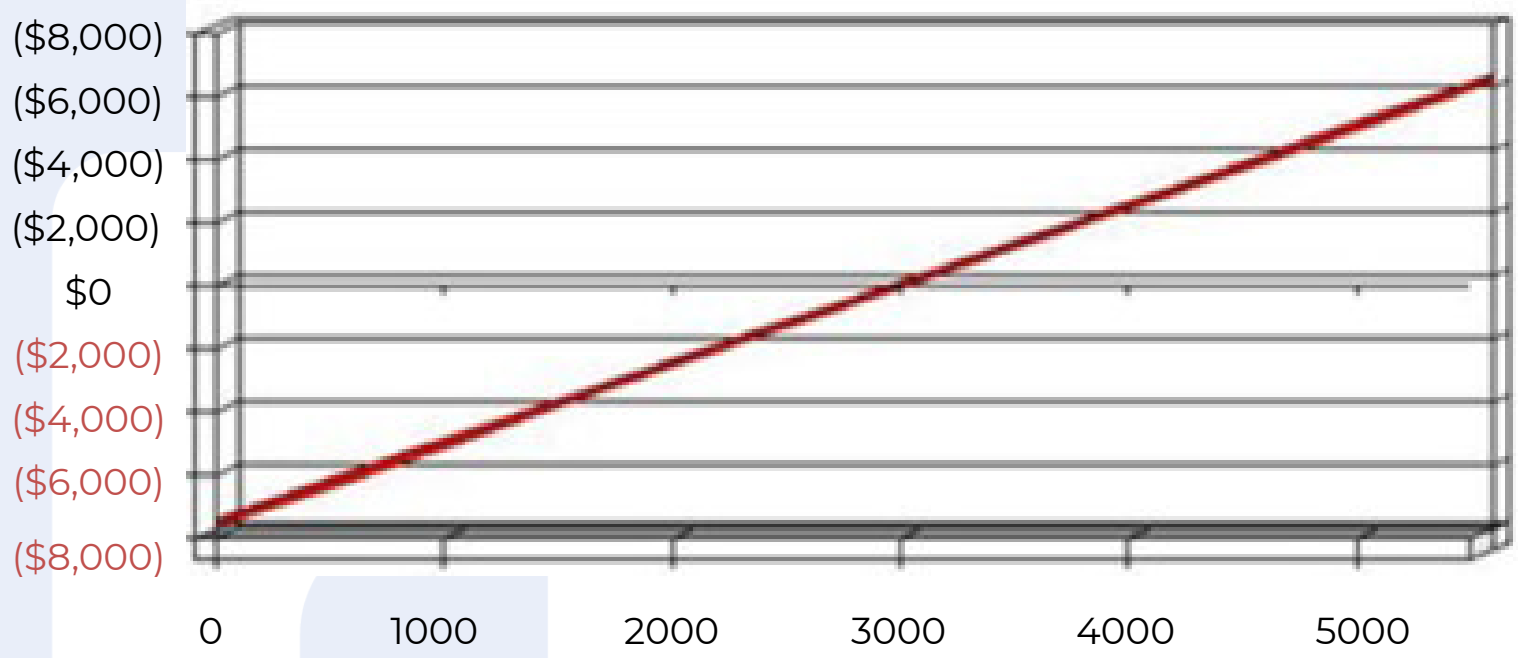
5. Our understanding of the need for strong branding and emphasis on marketing gives us a competitive edge over other cafés in our area and potential competitors.

Break-even Analysis

HiFlex Physio Café is operating in an industry capable of supporting high gross margins. Variable costs in relationship to per-unit revenues are low. Variable costs are equal to roughly 25% of per-unit revenues. It is our hope that as we move into the future and continue to build relationships with our suppliers, this value will decrease further, approaching a value of 20%.

Fixed costs for HiFlex Physio Café equal almost $7,500. Fixed costs include payment of debt, facility lease costs, hardware costs, and other costs HiFlex Physio Café must maintain on a monthly basis. These costs are fixed and aren't impacted by an increase or a decrease in sales.

Currently, HiFlex Physio Café will break even at a monthly sales point of $10,000.



Monthly break-even point

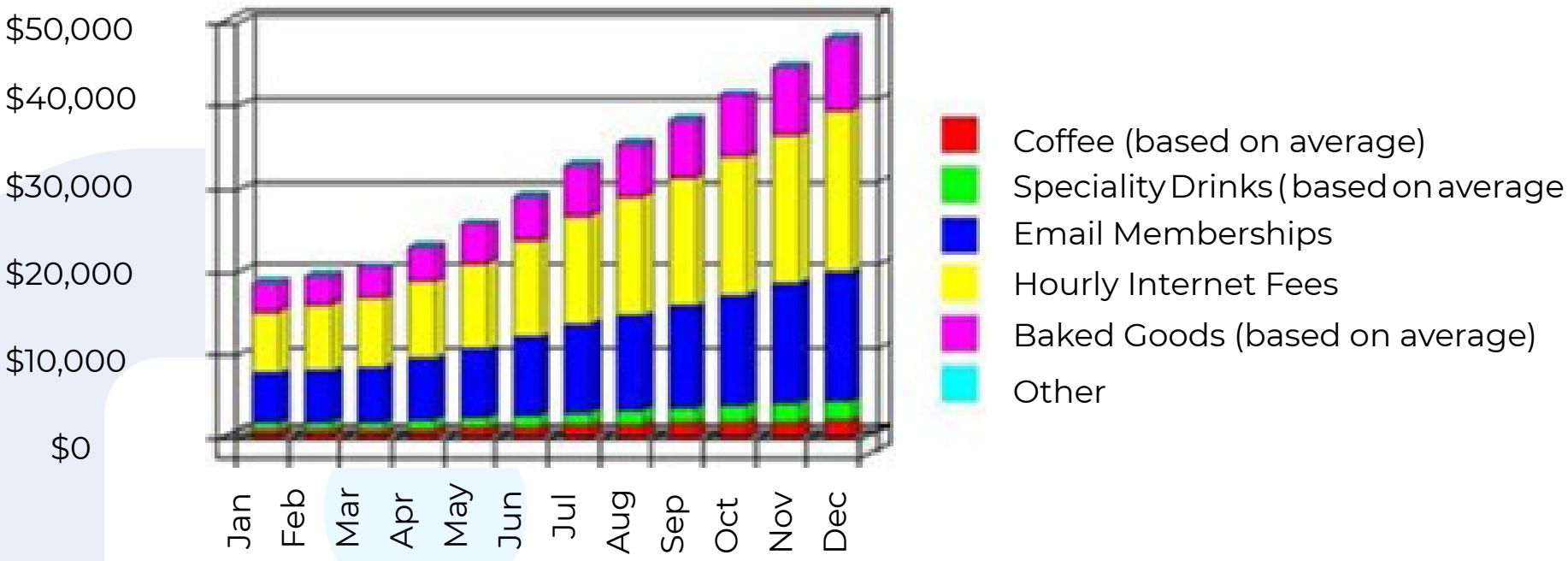
Break-even point = where line intersects with 0

Break-even Analysis	
Monthly Units Break-even	2,986
Monthly Revenue Break-even	$10,002

Assumptions	
Average Per-unit Revenue	$3.35
Average Per-Unit Variable Cost	$0.84
Estimated Monthly Fixed Cost	$7,500

Sales Forecast

Revenues for the first year of operation are based on an almost 10% growth rate from month to month. This is an aggressive estimate, but we feel that our strong emphasis on marketing will have positive results. Annually, beyond the first year of operations, we're predicting a growth rate of roughly 10%. We'll have a better idea of potential growth rate beyond year one as we make our way through our first year. The plan will be updated as we receive more information.



Sales Forecast	20XX	20XX+1	20XX+2	20XX+3	20XX+4
Unit Sales					
Coffee (based on average)	16,230	17,853	19,639	21,602	23,763
Specialty Drinks (based on average)	9,129	10,042	11,047	12,151	13,366
Email Memberships	12,173	10,042	14,729	16,202	17,822
Hourly Internet Fees	60,255	66,280	72,908	80,199	88,219
Baked Goods (based on average)	54,777	60,255	66,280	72,908	80,199
Other	0	0	0	0	0
Total Unit Sales	152,564	167,820	184,602	203,062	223,368

Unit Prices	20XX	20XX+1	20XX+2	20XX+3	20XX+4
Coffee (based on average)	$1.00	$1.00	$1.00	$1.00	$1.00
Specialty Drinks (based on average)	$2.00	$2.00	$2.00	$2.00	$2.00
Email Memberships	$10.00	$10.00	$10.00	$10.00	$10.00
Hourly Internet Fees	$2.50	$2.50	$2.50	$2.50	$2.50
Baked Goods (based on average)	$1.25	$1.25	$1.25	$1.25	$1.25
Other	$0.00	$0.00	$0.00	$0.00	$0.00
Sales					
Coffee (based on average)	$16,230	$17,853	$19,639	$21,602	$23,763
Specialty Drinks (based on average)	$18,259	$20,085	$22,093	$24,303	$26,733
Email Memberships	$121,726	$133,899	$147,289	$162,018	$178,219
Hourly Internet Fees	$150,636	$165,700	$182,270	$200,497	$220,547
Baked Goods (based on average)	$68,471	$75,318	$82,850	$91,135	$100,248
Other	$0	$0	$0	$0	$0
Total Unit Sales	$375,323	$412,855	$454,141	$499,555	$549,510

Direct Unit Cost	20XX	20XX+1	20XX+2	20XX+3	20XX+4
Coffee (based on average)	$0.50	$0.50	$0.50	$0.50	$0.50
Specialty Drinks (based on average)	$2.50	$2.50	$2.50	$2.50	$2.50
Email Memberships	$0.63	$0.63	$0.63	$0.63	$0.63
Hourly Internet Fees	$0.31	$0.31	$0.31	$0.31	$0.31
Baked Goods (based on average)	$0.00	$0.00	$0.00	$0.00	$0.00
Other	$0.00	$0.25	$0.25	$0.25	$0.25

Direct Cost of Sales					
Coffee (based on average)	$8,115	$8,927	$9,819	$10,801	$11,881
Specialty Drinks (based on average)	$22,824	$25,106	$27,617	$30,378	$33,416
Email Memberships	$7,669	$8,436	$9,279	$10,207	$11,228
Hourly Internet Fees	$18,679	$20,547	$22,601	$24,862	$27,348
Baked Goods (based on average)	$0.00	$0.00	$0.00	$0.00	$0.00
Other	$0.00	$0.00	$0.00	$0.00	$0.00
Subtotal Direct Cost of Sales	$57,286	$63,015	$69,317	$76,248	$83,873

Expense Forecast

The marketing budget will consistently equal approximately 20% of sales. One of our strongest strengths is our marketing and brand building capabilities, and the aggressive marketing budget is a reflection of the importance we attribute to our marketing activities.

Currently, the marketing budget beyond year one remains set at 20% of sales. It is our hope to increase this budget should sales and efficiencies of scale allow us to do so.

Explanation of Major Marketing Expenses:

Local TV spots

In our first year of operations, we will spend $23,000 on TV spots. TV spots allow us to reach a large audience and effectively target our market.

Print Materials

Print materials always require a significant budget. They include: flyers, literature distributed internally, novelties for customers, coupons, and anything else we can squeeze into this budget.

Local Newspapers

An important part of our marketing efforts. Newspaper advertisements will give us a vehicle for consistently getting our message / brand in front of a large number of potential customers. We believe this vehicle will get our message to seniors, which make up a large portion of our target market. In addition, the business section will provide us with a means for communicating with our business customers.

Local Radio Spots

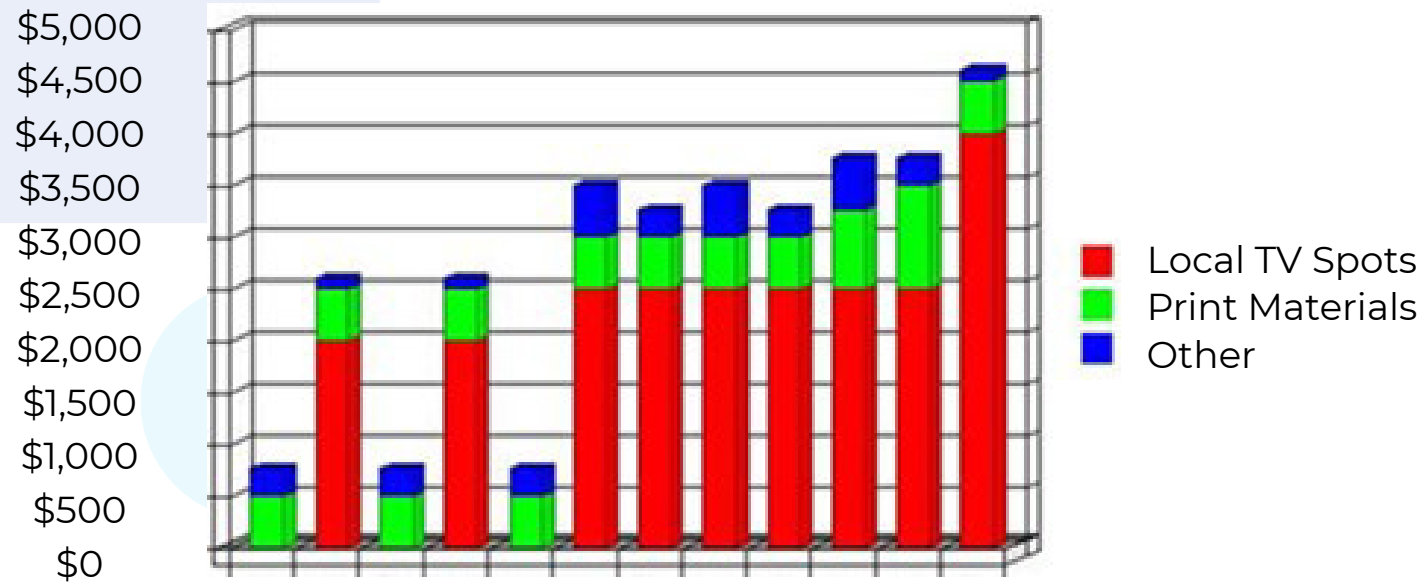
These are an inexpensive way to secure a large number of daily impressions.

HiFlex Physio Café Events

This will include local radio and TV events where radio and TV stations broadcast from the HiFlex Physio Café site offering freebies to first-time customers for stopping by. HiFlex Physio Café will also run educational programs and community events throughout the year related to the HiFlex Physio Centre.

Customer Happiness Representative

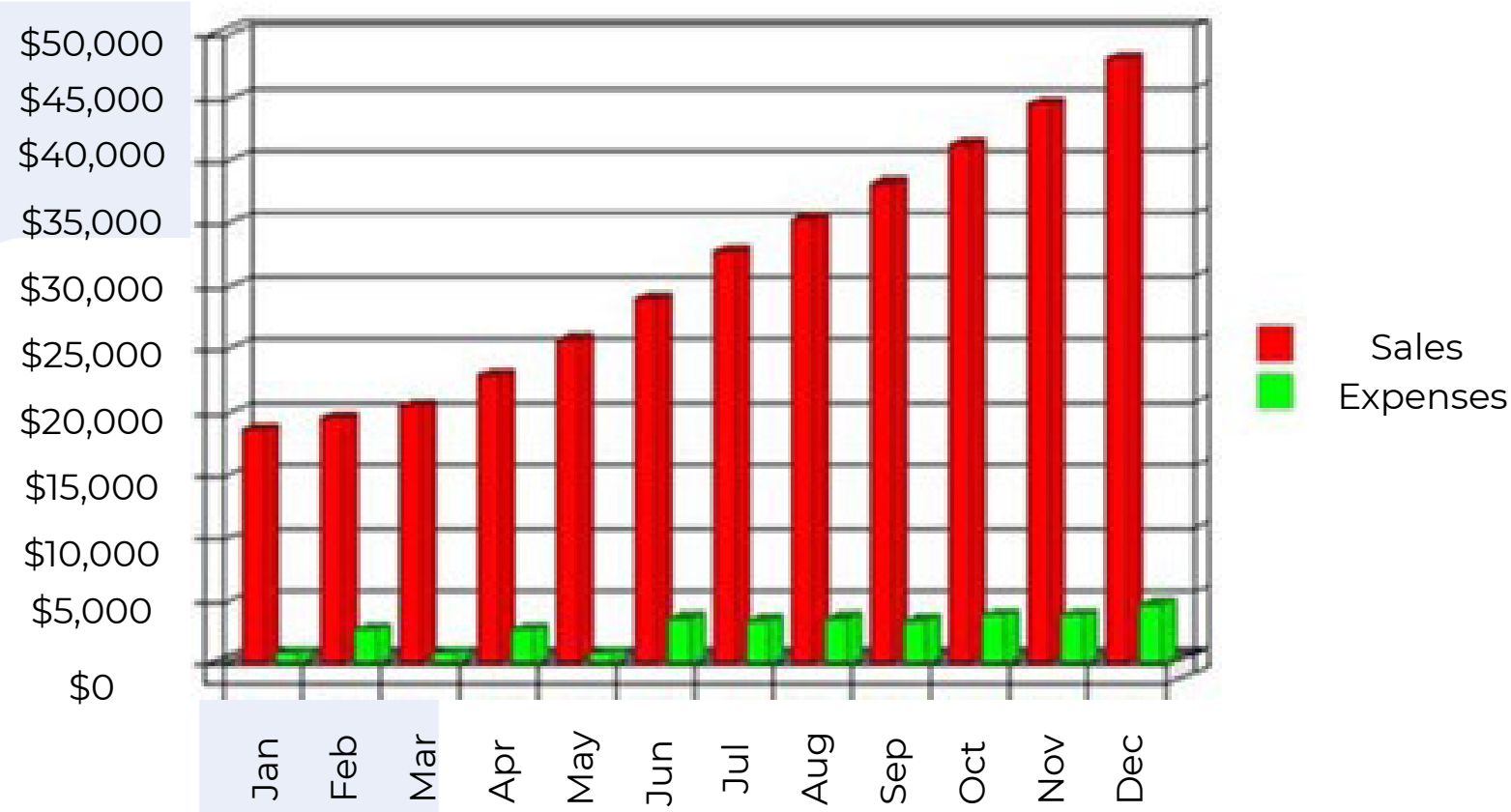
This employee will monitor the level of happiness amongst HiFlex Physio Café customers. They will be responsible for: developing customer satisfaction programs, monitoring happiness levels, responding to customer concerns, and the general wellbeing of every HiFlex Physio Café customer.



Marketing Expense Budget	20XX	20XX+1	20XX+2	20XX+3	20XX+4
Local TV Spots	$23,000	$25,300	$27,830	$30,613	$33,674
Print Materials	$6,750	$7,425	$8,168	$8,984	$9,883
Other	$3,300	$3,630	$3,993	$4,392	$4,832
Total Sales and Marketing Expenses	$33,050	$36,355	$39,991	$43,990	$48,389
Per Cent of Sales	8.81%	8.81%	8.81%	8.81%	8.81%

Linking Sales and Expenses to Strategy

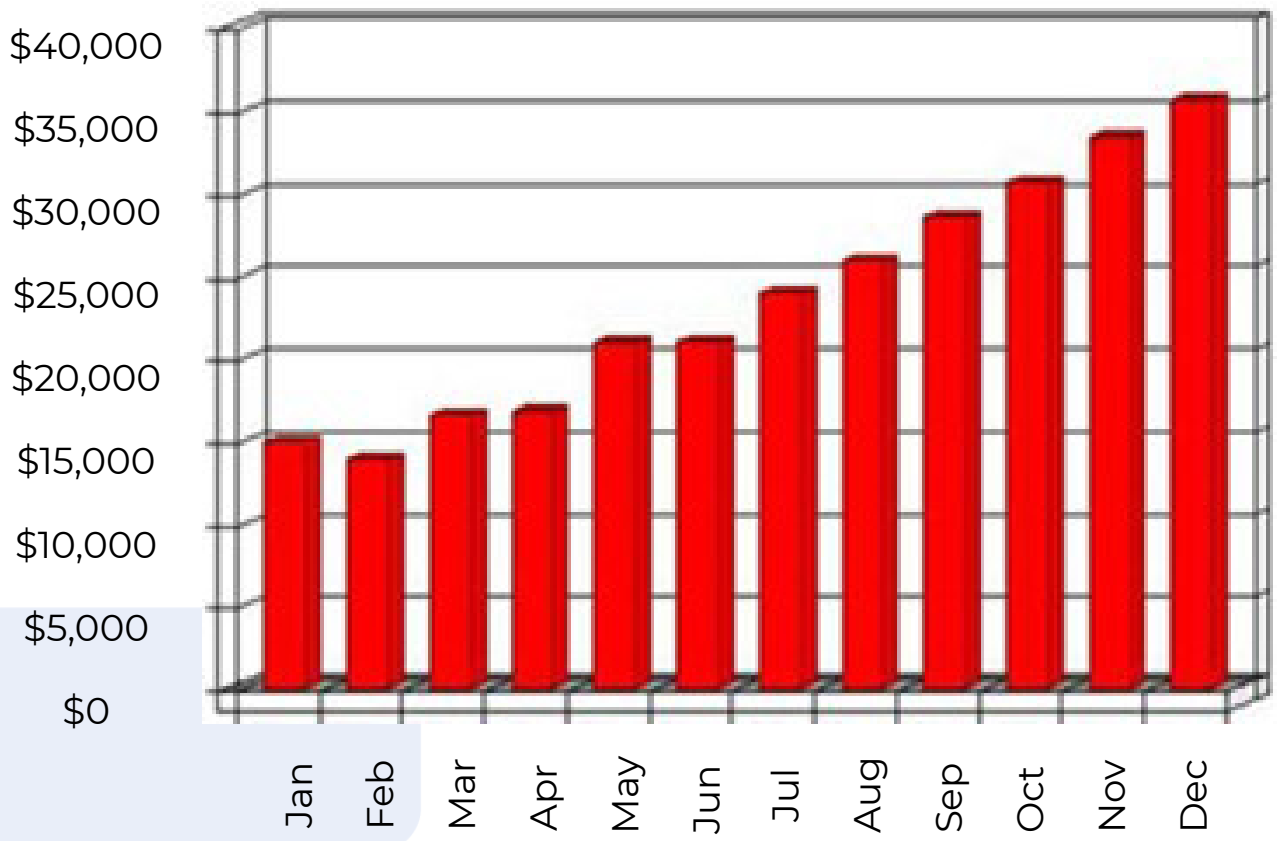
Our marketing expenses are tied directly to our sales revenue. As sales increase, the marketing expenses will increase. Currently our marketing expenses equal roughly 20% of sales, and we hope to increase that value in the future. Our programs will be monitored for efficiency and return on investment. Most notably, we want to pay close attention to the value of the 'Customer Happiness Representative'. This component of our marketing budget is expensive, and we want to track the value of the program to make sure we're optimising our budget. Periodically, we will survey our customers to determine the effectiveness of our programs, and we'll adjust the marketing mix appropriately based on our findings.



Contribution Margin

The Contribution Margin chart and table presents a strong outlook for HiFlex Physio Café's first year of operations.

1. Sales increase an average of 10% per month in the first year
2. Contribution margin runs at roughly 50%
3. The marketing budget is consistently based on 20% of total revenue
4. A strong focus on local TV and radio is apparent in the expense breakdown
5. The marketing budget is spread evenly throughout the year.



Contribution Margin	20XX	20XX+1	20XX+2	20XX+3	20XX+4
Sales	$375,323	$412,855	$454,141	$499,555	$549,510
Direct Cost of sales	$57,286	$63,015	$69,317	$76,248	$83,873
Other Variable Costs of Sales	$3,000	$3,000	$3,000	$3,000	$3,000
Total Cost of Sales	$60,286	$66,015	$72,317	$79,248	$86,873
Gross Margin	$315,036	$346,840	$381,824	$420,306	$462,637
Gross Margin %	83.94%	84.01%	84.08%	84.14%	84.19%
Marketing Expense Budget					
Local TV Spots	$23,000	$25,300	$27,830	$30,613	$33,674
Print Materials	$6,750	$7,425	$8,168	$8,984	$9,883
Other	$3,300	$3,630	$8,168	$4,392	$4,832
Total Sales and Marketing Expenses	$33,050	$36,355	$39,991	$43,990	$48,389
Per Cent of Sales	8.81%	8.81%	8.81%	8.81%	8.81%
Contribution Margin	$281,986	$310,485	$341,833	$376,317	$414,249
Contribution Margin / Sales	75.13%	75.20%	75.27%	75.33%	75.39%

Controls

The goal of this marketing plan is to outline the strategies, tactics, and programs that will make the sales goals outlined in the HiFlex Physio Café business plan a reality in the year 20XX. We have these marketing obstacles to face:

- The creation of a unique, innovative, and up-scale atmosphere that will differentiate HiFlex Physio Café from other local coffee shops and future Internet cafés.
- The establishment of HiFlex Physio Café as a community hub for socialisation and entertainment.
- The creation of an environment that won't intimidate the novice user. HiFlex Physio Café will position itself as an educational resource for individuals wishing to learn about the benefits the Internet has to offer.

Our marketing efforts will be focused on building the image outlined above. We have milestones and sales goals to meet and a business plan outlining our first and second year of business in detail. It will be critical to use this marketing plan and the HiFlex Physio Café business plan as living/working documents. We can't allow them to sit in a file. They must be used as a map for the future success of HiFlex Physio Café.

Implementation Milestones

The milestones chart below outlines key dates that the marketing team must meet. The milestones table includes both sales goals and deadlines for major projects that impact the programs outlined in the Marketing Expense Budget. Each milestone is assigned a manager and that manager has ownership of the task and is responsible for its success. We will track our successes and failures by reviewing planned-vs-actual results. Successes and failures will be reviewed and addressed on a quarterly basis.

Milestones	Start Date	End Date	Budget	Manager	Department
Advertising					
TV Ad Creative	1/15/20XX-1	2/1/20XX-1	$500	K Jones	
Radio Spot 1 Creative	1/15/20XX-1	2/1/20XX-1	$250	K Jones	
Radio Spot 2 Creative	2/1/20XX-1	2/10/20XX-1	$250	K Jones	
Newspaper Ad Creative	1/15/20XX-1	2/1/20XX-1	$75	K Jones	
Other					
Total Advertising Budget			$1,075		
PR					
Customer Happiness Representative Prog. 1	1/15/20XX-1	2/1/20XX-1	$500	K Jones	
Other					
Total PR Budget			$500		
Direct Marketing					
HiFlex Physio Café Event 1 Creative	2/1/20XX-1	2/10/20XX-1	$250	K Jones	
HiFlex Physio Café Event 2 Creative	4/1/20XX-1	4/10/20XX-1	$250	K Jones	
Other					
Total Direct Marketing Budget			$550		
Web Development					
Introduction to the Internet Class 1	1/15/20XX-1	1/16/20XX-1	$250	TBA	
Other					
Total Web Development Budget			$250		
Other					
Customer Survey	3/1/20XX-1	4/1/20XX-1	$1,000	K Jones	

Milestones	Start Date	End Date	Budget	Manager	Department
Other					
Total Other Budget			$1,000		
Totals			$3,375		

Marketing Organisation

The Marketing Manager of HiFlex Physio, Kath Jones will head the marketing effort. Initially, there will only be one additional member of the marketing team and they will work for both the Fitness Centre and Café. The 'Customer Happiness Representative' position has not yet been filled, but it is the first milestone that must be completed. The 'Customer Happiness Representative' will play a large role in implementing the different marketing programs.

Contingency Planning

This marketing plan is just that, a plan. Plans don't always work out and we have to be ready to deal with the likelihood that HiFlex Physio Café won't make good on the projections outlined in this plan. We also have to prepare ourselves for overwhelming success.

The following are some possible scenarios:

Revenues exceed projections

A serious increase in revenues over projections will give us an opportunity to increase our marketing budget above the allocated 20%. We'll be able to hire the marketing manager earlier, and we'll be able to provide more equipment and possibly add an additional location.

Revenues miss projections

We have to be prepared for this possibility. If we miss our projections, we simply have to re-double our marketing efforts. The danger in this scenario is that the first reaction to missed projections is to decrease spending, particularly marketing expenses. We can't do that! We have to get our message out to the target market, and we can't do that if we stop spending on marketing. Additional capital infusions may become necessary, and that possibility is detailed in the business plan.

Internet side of business plays a lesser role

Our customers might not be willing to pay for Internet access or HiFlex Physio Café memberships as Internet access costs and hardware costs continue to fall. If this scenario materialises, we will need to move our focus to beverages and pastry items, perhaps even providing deli-style lunches. Internet services in the scenario would still play an important role in attracting customers; we'd just have to charge less and move our numbers around to accommodate this trend.

Version Control & Document History

Date	Summary of modifications	Version
3 February 2022	Version 1.1 produced with the following modifications: ● Years updated from 2003, 2004, 2005... to 20XX, 20XX+1, 20XX+2... ● Formatting updates throughout the document	1.1