FRANCE TELECOM/ORANGE
NANCY 2010

MARKETING PLAN 2010

DEVELOPMENT OF A NEW PRODUCT
BIC PHONE

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Company profile

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Company profile

- France Telecom since January 1991
- Director: Didier Lombard
- In 2000, Orange becomes the key brand of France Telecom
- Internationally, the brand is associated with:
  - Mobile phones & phones
  - Internet
  - Televisions
- Store of Nancy:
  - Total Surface: 364m² of which 282m² is the sales floor (77%).
  - 2nd shop of France, behind that of Paris Champs-Elysées.
  - Customer visits: between 3 500 and 4 000 per week with peak of 7 500 towards year-end.
  - 25 employees
  - Manager: Marie Thiel
1.1 Macro Environmental Analysis

✓ Political
- Opportunities: The promotion of the fourth potential mobile license
- Threats: The risk is this 4th operator (Competition by the prices/oligopoly for four)

✓ Economic
- Opportunities: Strong growth of the market of the telephony
- Threats: The market is in slow motion in the Western Europe

✓ Social
- Opportunities: Social networks develop internet (Facebook)
- Threats: The mobile phone can be a means of espionage

✓ Technological
- Opportunities: An evolution towards the fixed-mobile convergence and new technology like LTE or WiMAX

✓ Ecological
- Opportunities: Recyclable product in phones (Nokia)
- Threats: Problem of the waves emitted by phones on the health

✓ Legal
- Opportunities: The surcharge of the calls towards hotlines since a mobile phone (Loi châtel-2007)
- Threats: Flexibility on the commitments 24 months (Loi châtel-2007)
  Regulation on the roaming (European Commission)
1.2 Market Analysis and Segmentation

- **Market:**
  - 189 million customers in 30 countries
  - The third mobile phone operator
  - The first ADSL internet access provider in Europe
  - One of the world leaders of the services of telecommunications to the multinational companies

- **Segmentation:**
  - Private
  - Professional
  - All the ages
1.3 Competitors

- **DIRECT**
  - SFR
  - Bouygues Telecom
  - Tel & Com
  - Phone House

- **INDIRECT**
  - Fnac
  - Darty

- **FUTUR POTENTIAL**
  - Neuf Cegetel
  - Free
  - Numericable
1.4 Marketing Mix

- **Place:**
  Numerous agencies in France
  (More than 100 agencies in France)

- **Product:**
  All the products in connection with the world of the telephony and internet

- **Price:**
  It's different according to the targeted market

- **Promotion:**
  Advertisement on the television/internet, advertising poster
1.5 Strategic Planning Method

**Strengths**
- Wide customer base
- Strong brand image
- Strong presence in European markets
- Leader of the market

**Weaknesses**
- Weakening mobile business in UK and France
- Weak presence in Asian markets

**Opportunities**
- 3G technology
- Develop themselves in European Internet market
- Develop more stores in the Asian market

**Threats**
- Saturation in the European mobile market
- EU regulation on international roaming
- Telecom consolidation
- Competitors can also be leader
- Be out of the UK mobile business and also the France mobile business
1.6 Positioning (perceptual map)
2.1 New Product Development Strategy

The BIC Phone
2.2 Market Segmentation for BIC Phone

- Private (not professional)
  - with rather lower income
  - who rarely use cell phone
  - who are using “Mobicarte”
  - who are still using phone cards
  - Generally teenagers or senior persons
2.3 Marketing-Mix for 2010

- **Marketing Offer**
  - **Product + Price**: BIC Phone
    - Includes: SMS, Radio, Calculator, Games
    - 2 Colors: White & Green or White & Orange
    - Throwaway
    - Cheap: 49€

- **Marketing Promotion**
  - **Distribution + Promotion**:
    - Sold in Orange stores
    - Advertisement:
      - Internet
      - TV
2.4 Marketing Objectives

- **Strength => Opportunity:**
  - Strong presence in European market => Develop themselves in European market

- **Strength => Threat:**
  - Leader of the market => Competitors can also be leader = Keep an eye on competitors

- **Weakness => Opportunity:**
  - Weak presence in Asian market => Develop more stores in the Asian market

- **Weakness => Threat:**
  - Weakening mobile business in UK and France => Be out of the UK mobile business and also the France mobile business = Get more involved in these 2 mobile markets
2.5 Position (perceptual gap)
2.6 2010 Sales Forecast for Orange Nancy Store

- **Pessimistic:** 😞
  - 585 Customers/Day (3500/Week)
  - 5% (~29) will buy the product/Day
  - ~1,4K €/Day = ~8,5K €/Week = ~34K €/Month = ~409,2K €/Year

- **Optimistic:** 😊
  - 750 Customers/Day (4500/Week)
  - 20% (~150) will buy the product/Day
  - ~7,3K €/Day = ~44,1K €/Week = ~176,4K €/Month = ~2,1M €/Year

- **Realistic:** 😊
  - 670 Customers/Day (4000/Week)
  - 10% (~67) will buy the product/Day
  - ~3,3K €/Day = ~19,7K €/Week = ~78,8K €/Month = ~945,5K €/Year
3.1 Main Cooperative Bodies & Maintaining Current Situation in the Market

- Collaboration with Bic
- Orange will keep its activities
  - Phone
  - Live Box & TV
  - Contract
3.2 Developing New Products and its pricing and Marketing Activities

- **Product:**
  - New concept: disposable product
  - Prepaid card which can be reloaded with disposable's phone
  - Can be used for one year

- **Price:**
  - 49€ for the phone + one hour of communication
  - Possibility to reload the phone with prepaid card from 5€ to 100€

- **Promotion**
  - Direct marketing: Orange Stores
  - Indirect marketing: Web, TV, Poster advertisement
  - Public relation: Promotion of the product in different places
  (street, supermarket...)

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<thead>
<tr>
<th>What</th>
<th>Who</th>
<th>When</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion of the product during the summer (in the street, billboards, mailing to travel agencies)</td>
<td>Marketing manager</td>
<td>July-August 2010</td>
<td>To attract tourists</td>
</tr>
<tr>
<td>Reducing the price (49€ -&gt; 39€) before the start of the school year</td>
<td>Sales manager</td>
<td>01/09/2010 Wednesday</td>
<td>To attract people with lower incomes</td>
</tr>
<tr>
<td>Promotion on TV before Christmas</td>
<td>Marketing Manager</td>
<td>December 2010</td>
<td>To attract teenagers</td>
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3.4 2010 Marketing Budget

Budget: 40% of 945,5 K€ (sales forecast) = 378K€

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<thead>
<tr>
<th>Ressources</th>
<th>Usages</th>
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</thead>
<tbody>
<tr>
<td>Self</td>
<td>Direct Marketing</td>
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<td></td>
<td>Indirect Marketing</td>
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<td>Short-term loan</td>
<td>Public Relations</td>
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<td></td>
<td>Advertising</td>
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<td>Collaboration with Bic</td>
<td>Marketing research</td>
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<td></td>
<td>Non-allocated funds</td>
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4.0 Control Procedure & Criteria of success

- **Control bodies:**
  
The control will be made by the manager of the store to check if everything is going well.

- **Control tools:**
  
  In order to control, the manager will use the reports’ sales each months and then after checking these reports, he could organize some meetings to improve the weaknesses noticed by the reports.

- **Yearly calendar:**
  
  The controls will start after 3 months after the launch. Then, depending on the results, we will continue on this way if the results are good or we will correct the different things which are wrong.

- **Criteria of success:**
  
  If this product will know more than 60 customers per day who buy our product, this will be a success for Orange Nancy.