

DMBA 603 Group Project:

WorldTVNet



Staci Coleman

David 'Orr

Yu Wu

University of Maryland University College

Confidentiality Agreement

The undersigned reader acknowledges that the information provided by _____ in this marketing plan is confidential; therefore, reader agrees not to disclose it without the express written permission of _____.

It is acknowledged by reader that information to be furnished in this marketing plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by reader may cause serious harm or damage to _____.

Upon request, this document is to be immediately returned to _____.

Signature

Name (typed or printed)

Date

This is a marketing plan. It does not imply an offering of securities.

Table of Contents

1. Executive Summary.....	1
2. Situation Analysis.....	3
2.1. Market Needs	3
2.2. The Market.....	3
2.2.1. Market Demographics.....	4
2.2.2. Market Trends.....	5
2.2.3. Market Growth.....	6
2.2.4. Macroenvironment.....	8
2.3. The Company.....	8
2.3.1. Mission.....	8
2.3.2. Service Offering.....	9
2.3.3. Positioning	10
2.3.4. SWOT Summary.....	11
2.3.4.1. Strengths	11
2.3.4.2. Weaknesses.....	11
2.3.4.3. Opportunities	12
2.3.4.4. Threats	13
2.4. Competition.....	13
2.4.1. Direct Competition.....	13
2.4.2. Indirect Competition	14
3. Marketing Strategy.....	16
3.1. Value Proposition.....	16
3.2. Critical Issues	17

Table of Contents

3.3.	Financial Objectives.....	18
3.4.	Marketing Objectives.....	18
3.5.	Target Market Strategy.....	18
3.6.	Messaging.....	19
3.6.1.	Branding.....	19
4.	Marketing Mix.....	20
4.1.	Product Marketing.....	20
4.2.	Pricing.....	21
4.3.	Promotion.....	21
4.3.1.	Advertising.....	22
4.3.2.	Public Relations.....	23
4.3.3.	Direct Marketing.....	24
4.4.	Service.....	25
4.5.	International Markets.....	26
4.6.	Implementation Schedule.....	27
5.	Financials.....	29
5.1.	Break-even Analysis.....	29
5.2.	Sales Forecast.....	30
5.3.	Expense Forecast.....	31
5.4.	Linking Expenses to Strategy and Tactics.....	33
5.5.	Contribution Margin.....	33
6.	Controls.....	35
6.1.	Implementation.....	35

Table of Contents

6.2. Keys to Success.....	36
6.3. Market Research.....	36
6.4. Contingency Planning	36
7. References.....	37

1. Executive Summary

WorldTVNet is a multimedia company offering personalized IPTV service real-time, on-demand or on-the-go. Our customers are American military members, their families and Department of Defense civilians living abroad who desire to experience digital entertainment as if they were still located in the United States. Throughout the plan, the entire customer-base will be grouped under military members.

Our multimedia company exists to make entertainment more accessible to military members, making viewing convenient by bringing the world of TV directly to the customer. American military members will utilize their broadband internet connection to access television programs in real-time and on-demand.

IPTV service has been expanding across the globe the past few years. The current European IPTV market is two million, forecasted to increase to 46M by 2011 (IPTV, 2008). Although there are three IPTV contender in Germany, market growth in Germany has been very slow to react and the German market is currently behind other European countries. T-Home a member of Duetsche Telecom is the major IPTV service provider in Germany and has had little success attracting consumers. The company dropped its price twice in the past year in an effort to attract consumers in its price sensitive market.

We at WorldTVNet believe T-Home will continue to have problems as its costs are high to develop infrastructure, many German families have yet to convert to broadband capable of supporting IPTV, the market is very price sensitive and T-Home cannot afford to lower its price much further without risking not being able to cover its cost.

Our company has entered into infrastructure sharing agreements with major networks, enabling us to rollout high-quality IPTV service with minimal cost. We are able to offer superior quality at a lower price and believe the time is now to move in and capture the military market in Germany before T-Home acquires the resources to compete.

WorldTVNet's marketing strategy is to emphasize quality, personalized service at affordable prices. Customers of WorldTVNet will discover the ability to personalize their viewing preferences by self-selecting their own channel lineup and being able to experience television at their own discretion, anytime, anyplace, even on-the-go.

The management of WorldTVNet consists of co-owners Staci Coleman, David 'Orr and Yu Wu. Staci has extensive experience with the military market and her area of expertise is Human Resource Management. David 'Orr is the company's research and Web design expert. Yu Wu is the company's marketing, advertising and financial expert. All partners will have a hands-on management role in the company. The company managers have developed relationships with various members in the multimedia businesses who have agreed to be advisors to WorldTVNet and its management team.

Based on the size of our market and our defined market area, our sales projections for the first year are \$420,069. The salary for each of the co-owners will be based on actual profit and costs as the co-owners have agreed to evenly split the profits after paying all necessary current and estimated future costs up to \$180,000, making the maximum of each co-owners salary \$60,000 for the first two years.

We already have established interest in our service as the base housing office has included our service offering in their informative briefing to newly arriving military members. We will aggressively build our client base through place advertising, public

relations and direct marketing. The personalized, high quality service is sure to appeal to military members desiring an at-home television and entertainment experience.

Our company's dedication to superior customer service, on-going technology innovation and exceptional user experience will set us apart from our competitors and we will be the market leader in IPTV for military members.

2. Situation Analysis

The situation analysis covers our study of market environment, customer demographics, market growth, and macroenvironment. The Situation Analysis helps us to define our market and develop the proper marketing strategy.

2.1. Market Needs

Our services satisfies the market need for a convenient, reliable, and affordable channel for military members living aboard to access TV content from major U.S. networks. Military members will have the ability to stay connected to people, events and social and cultural trends from "home". Currently the market lacks IPTV providers or other channels that have comprehensive, affordable television programming options for military members desiring a "home" entertainment experience.

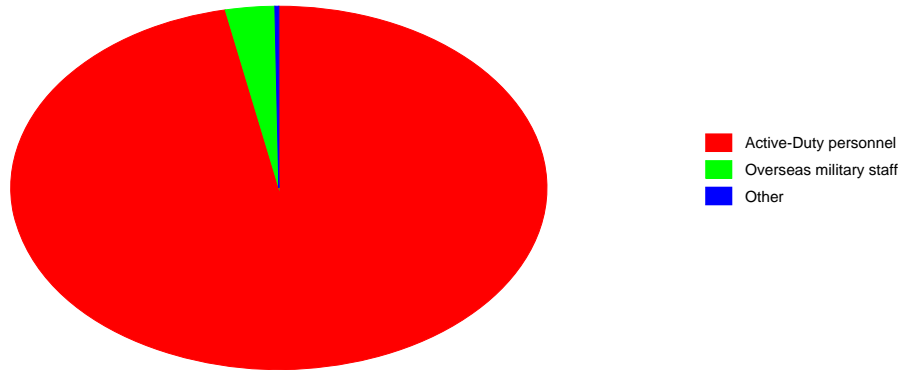
2.2. The Market

Our company's target market is overseas military service members stationed in Germany. This group desires an easily accessible way to watch their favorite TV shows from back home and keep up with current events and sports. U.S. Department of

Defense reported in September 30, 2007 that over 57,000 military personnel are stationed in Germany (U.S. Department of Defense, 2007), making our total market potential 57,000. We expect a small number of military staff and contractors will also sign up for our service.

Market Analysis							
		2008	2009	2010	2011	2012	
Potential Customers	Growth						CAGR
Active-Duty personnel	55%	\$815	\$1,263	\$1,958	\$3,035	\$4,704	55.00%
Overseas military staff	5%	\$25	\$26	\$27	\$28	\$29	3.78%
Other	5%	\$2	\$2	\$2	\$2	\$2	0.00%
Total	53.99%	\$842	\$1,291	\$1,987	\$3,065	\$4,735	53.99%

Market Analysis (Pie)



2.2.1. Market Demographics

The profile of the customers consists of the following geographic, demographic, psychographic, and behavior factors:

Geographics: 57,000 US military service members stationed in Germany.

Demographics: Female and male; age range of 19 to 45 years, with a median age

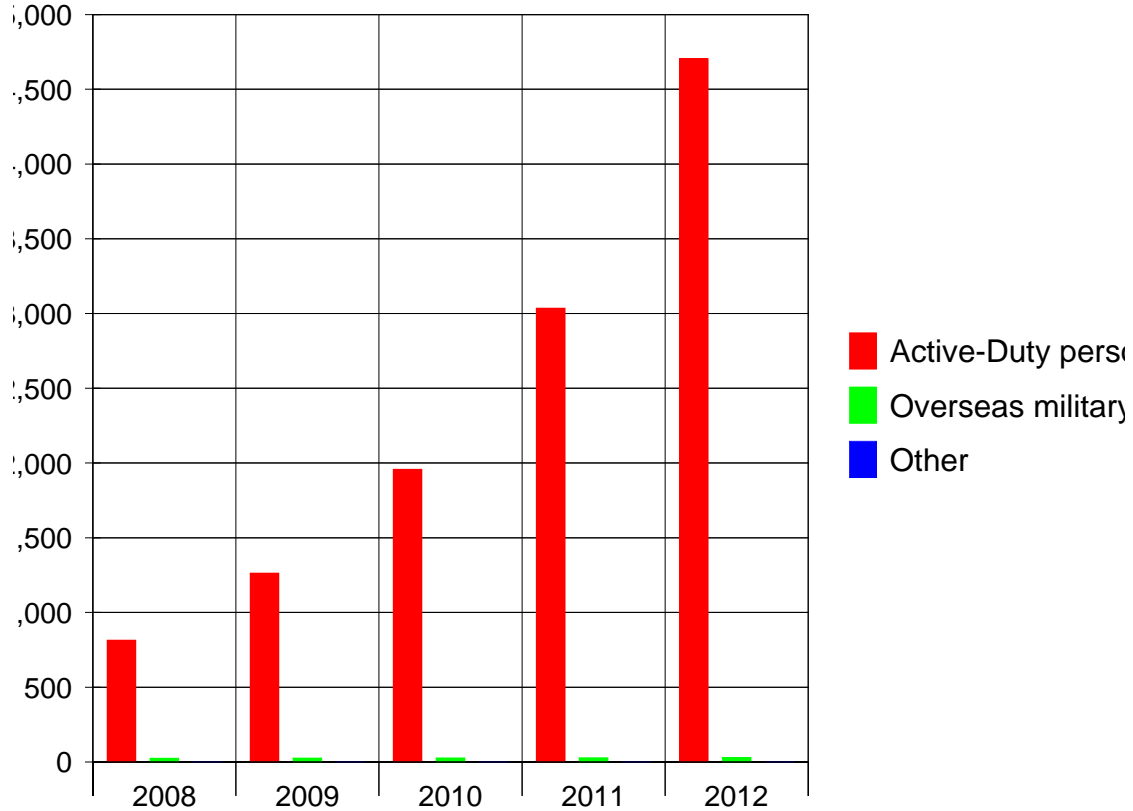
of 25; younger people who are comfortable using technology; people with access to broadband internet. **Psychographics:** Keep up with the latest technology; want convenient, reliable, and easy access to their favorite TV shows; interested in keeping up with the latest news, fashion, and trends back home. **Behavioral:** Use current technology at home, at work, or at school; use the Internet as their main source of information; expect technology to be user-friendly and enhance their daily-lives; own other latest to the market technological gadgets.

Market Demographics					
Market Segments	Summary	Buyer Readiness	Geographic	Age	Lifestyle
Active-Duty personnel	Growth	Informed	Germany	median age: 35	technologically savvy
Overseas military staff	Growth	Informed	Germany	median age: 35	technologically savvy
Other	Growth	Informed	Germany	median age: 35	technologically savvy

2.2.2. Market Trends

The significant market trends include: According to Conference Board and TNS's TV online study, close to 16% of household in the US with internet watch TV online. Online TV viewership has doubled from a year ago (Bulik, 2007); majority of the people believe online video watching is becoming mainstream and the under-25 population group view online video is a way of life (Bulik); the wall Street Street Journal reported on Jan 10, 2008 that as U.S economy sours, more Americans are inclined to keep their less expensive Internet service than their cable-TV subscriptions (Charny, 2008).

Market Analysis (Trends)

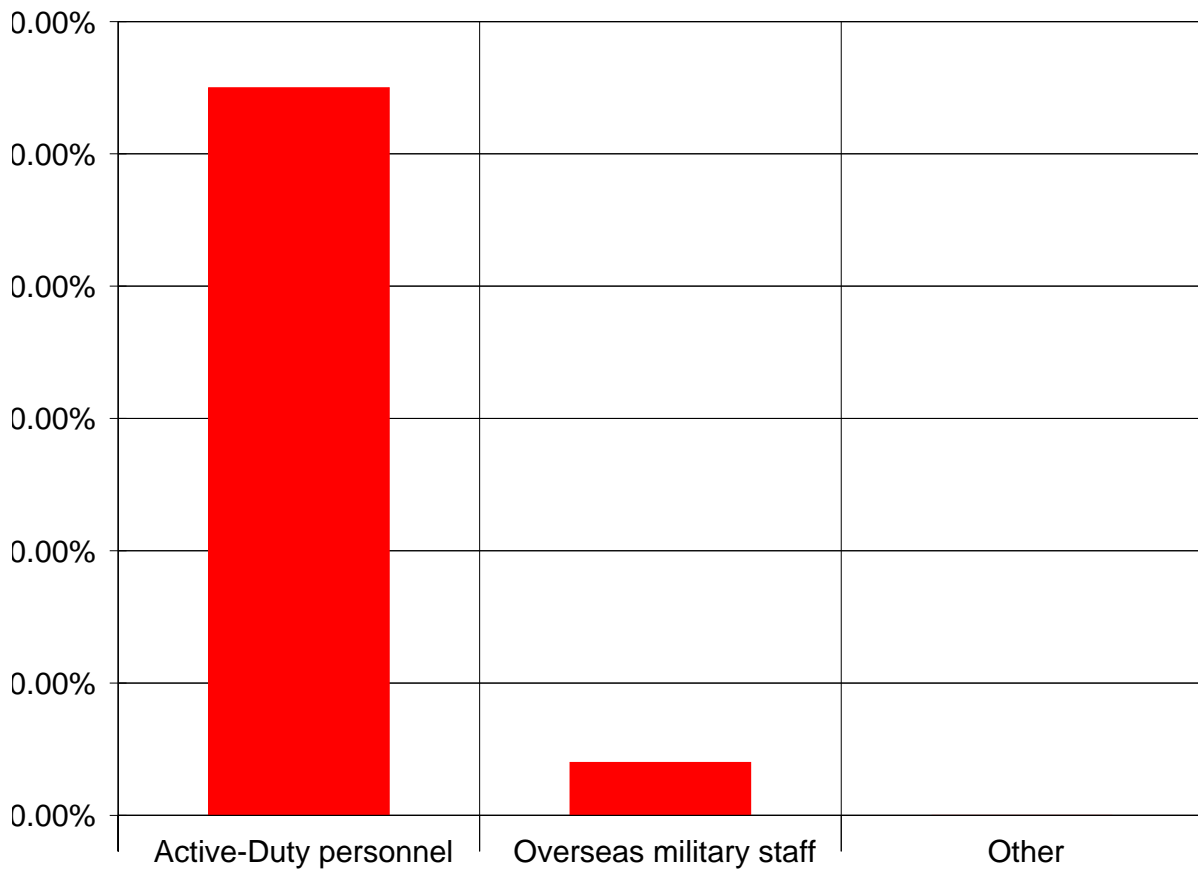


2.2.3. Market Growth

- In January, 2008 Issue of PC magazine, author John Dvorak writes "The IPTV revolution will begin within the next 5 years. It will be mature but not universal in 10 years, and in 25 years people will be baffled by stories about how this sort of media was delivered in the past" (Dvorak, p 75)
- Telecom companies across the global are moving into the IPTV to market. The major players in Asia are Hong Kong's PCCW Ltd., SignTel, Taiwan's Chunghwa Telecom Co. and Japan's KDDI Corp. A London

market research firm, Ovum, estimated there were 4.4 million IPTV subscribers in Europe, 900,000 in Asian-Pacific region, and 1.9 million in North America as of 2007. And the firm expects the number of subscribers to increase to 30.8 million in Europe, 11.7 million in North America and 6.3 million in Asia-Pacific region by 2011 (Guevarra and Lee, 2008).

Market Analysis (C.A.G.R)



2.2.4. Macroenvironment

The following issues impact market acceptance and WorldTVNet ability to generate revenue: **Consumer trends** - Consumers are moving to the web for video, news, and entertainment. **Economic changes** - High speed broadband internet connection has become cheaper and more affordable globally. **Technology advancements** - Networking technologies and widespread of broadband internet have made IPTV a viable broadcast channel. TV manufacturers such as Matsushita Electric Industrial Co.'s Panasonic and Sharp Corp, and Sony are adding features to access Internet programming to their TV sets. SanDisk Crop and Matrix Systems Inc. introduced a device enabling video transfer from computer to most TVs. Content download service providers like Apple with its iTunes and AppleTV continue to redefine on-the-go media.

2.3. The Company

WorldTVNet is an IPTV provider. Our company mission, service offering, market positioning, and SWOT analysis are in the following sub-sections.

2.3.1. Mission

Our multimedia company brings entertainment to people stationed in Germany. People in Germany can utilize their broadband internet connection to access television programs in real-time and on-demand. We exist to make entertainment more accessible to American military members based in Germany. Our company's dedication to superior customer service, on-going technology

innovation, and exceptional user experience will set us apart from our competitors.

2.3.2. Service Offering

The "WorldTVNet" is designed to offer the following to each participant: Information from "Home" via live News Broadcasts; a source of entertainment that's culturally familiar; a source of fun and enjoyment to enrich family time; a resource to enhance world knowledge and situational awareness; an opportunity to watch your favorite sport/sport team. Teachers greatly realize the benefits. They are able to offer their students a culturally relevant experience that does not require travel. Professors, Researchers, Military leaders and Intelligence analysts also realize the benefit as they gain first-hand interpretations directly from the people impacted by situations, policies or occurrences.

Additionally, military members with small businesses realize the benefit as they can discover/analyze the mindset of people in their home country and origin of their business and measure the impact on profit/revenue. Finally coaches of military family members with the potential to compete for scholarships and play for U.S.-based college teams or even pro-sport teams also realize the benefit as they can scout the competition without travel.

Our primary points of differentiation offer these qualities: Selective program watching; enables our customers to choose their own channel line-up; real-time, on-demand or on-the-go viewing capability; no charge 24 hour direct access via live chat, email or telephone to a team of customer service experts;

complementary product offering/trial subscription; superior service at a price that's lower than our main competitors; WorldTVNet will provide its customers with full access to television programs via the Internet and enabling software programs, accessible via our Website at no additional charge.

WorldTVNet will provide a brief instructional, how-to-guide and a brief troubleshooting checklist to help customers navigate the system and troubleshoot minor technical issues, accessible via our Website.

2.3.3. Positioning

For military members who are living in Germany and have basic technical savviness, computer equipment and a broadband internet connection, our company offers those wishing to experience television as if they were "Home," a home-television experience anytime of the day with a few clicks of a mouse button. Unlike other companies offering IPTV services, our company enables the customer to watch television at their discretion without the hassles of difficult technology, bogged down servers and lack of program choice. Our main competitors have chosen which programs its customers will watch.

Our competitors also do not offer on-demand viewing which limits server/computer memory and speed issues. Our competitors have experienced little response from the consumer market. Other competitors with the ability to attract military members such as Joost and Babelgum have experienced high-levels of complaints from customers, expressing dissatisfaction with technical difficulty and downloading problems. Our company's product is designed so that

even the most novice-user can enjoy WorldTVNet. We've also ensured that there are no downloading difficulties, by partnering with our program providers and using multiple servers already in-place and proven adequate for large-scale on-demand viewing and downloading.

2.3.4. SWOT Summary

The SWOT analysis covers our company's strengths and weakness, external opportunities and possible threats.

2.3.4.1. Strengths

Flexible viewing options with real-time access and on-demand feature; comprehensive programming offerings; user friendly interface that is developed for the novice user; shows can be downloaded to and stored onto portable media players with video playback capability; service is accessible anywhere in the world; viewers only need a broadband internet connection and a computer; no additional electronic equipment is necessary to access our service; 24 hours customer service is available on line and over the phone.

2.3.4.2. Weaknesses

Marketing to military members overseas is subject to military approval and oversight; service is limited to people who have broadband internet access; we have smaller marketing budget than our main

competitions, the cable and satellite TV providers; we are a newcomer to the marketplace without an established brand identity and public awareness of our service.

2.3.4.3. Opportunities

The surge in broadband has made internet broadcast a credible TV content distribution channel (New Media Age, 2008); electronic companies are working on television sets that have internet connectivity capabilities. In January, 2008, Matsushita Electric Industrial announced it will start selling internet-connected televisions in the US that can access Google's YouTube. Moreover, Sharp and Song also announced in the same week that they are going to launch similar TV sets and online content partnerships (Sanchanta, 2008).

In March, 2007, Thinkbox CEO, Tess Alps, reassured the audience at 'Third Age of Television' event in Camden, London, that TV is in good health and the next evolution for television is to deliver TV content across multiple platforms and devices (New Media Age, 2007); the growth for the first internet TV services such as Joost and Babelgum has been slower than expected; however, analysts has predicted dramatic growth as the services become easier to use (Marketing Week, 2007); American military has around 300,000 servicemember stationed overseas; our service is portable and can easily expanded into non-military markets.

2.3.4.4. Threats

Competition is strong as several companies have been trying to bring TV content to the web. Microsoft TV launched its premium IPTV service which streams high-def programs over the internet. They had about 400,000 subscribers at the end of 2007 (Porges, 2007); major content owners are launching their own online services. For example, News Corporation's Fox Network and NBC Universal have partnered to stream The Simpsons and The Office through Hulu.com, AOL, MSN, MySpace, and Yahoo! (New Media Age, 2007).

Apple is also a threat as it expands its entertainment service offerings. Apple's iTunes allows people download TV shows and store the shows on iPods, and AppleTV allows people to purchase TV shows, download music, and rent movies; online TV market is still immature and lacks a dominant business model. Business models such as pay-on-demand, ad-supported, revenue share and subscription models are still all being tested (New Media Age, 2007).

2.4. Competition

The following will discuss our direct and indirect competitors.

2.4.1. Direct Competition

Our most direct competitor is T-Home. Other direct competitors are Joost and Babelgum. T-Home currently dominates the market share in Germany, but

has had little success attracting consumers. T-home's strength is in its brand, but other than brand recognition, T-Home has no other strengths. Its weaknesses are many: its infrastructure is incapable of handling the demand of IPTV, it lacks shared infrastructure agreements, and many Germans have yet to convert to broadband connections and due to very limited English speaking customer service representatives and previous poor service to military service members, many military members are reluctant to enter contracts with T-Home's parent company Duetsche Telecom.

T-Home has cut its price twice in an effort to attract consumers to no avail. We feel that our ability to offer a superior service at a lower price along with the convenience of having an English speaking customer support staff will persuade military members to choose our service over T-Home. Other companies that could prove to be direct competitors are Joost and Babelgum. Currently we do not feel threatened by Joost or Babelgum as their services are notoriously not user-friendly and their market share has been greatly affected by its difficult applications and slow process speeds.

2.4.2. Indirect Competition

Our indirect competitors all of which could easily become direct competitors are Microsoft TV, Fox/NBC, AOL, MSN, Yahoo and other international IPTV companies such as PCCW, SingTel, Chunhuya Telecom and KDDI. For now, none of these competitors represent a great threat as they do not market in Germany and they currently only offer limited viewing and channel

options experienced just like one would if they were sitting in front of a television set in their home country. On the other hand, we do see companies such as Microsoft TV, Fox/NBC, and AOL/MSN as a future threat. These companies have the resources/relationships to offer the exact technology we are offering our customers. They also have name recognition and history to promote their advance into the market.

Other indirect competitors are local street-corner businesses whose owners illegally copy and sell media to the public for pennies on the dollar. Because we will allow our product to be downloaded to portable devices, we expect competition from local merchants who will illegally download our media and sell it on the black market. This is a major threat that could significantly cut into our profits if we do not stay ahead of security measures and securing our net.

In addition to local street vendors, German companies offering satellite and cable TV from the United Kingdom are indirect competitors. From my personal experience of living in Germany for three years, many apartments come equipped with cable or satellite TV connections as a utility feature. Many of the German landlords accustomed to renting to U.S. military members have pre-installed television service from the United Kingdom, enabling renters to enjoy television in the English language.

Other landlords have the apartment, with the approval of the military, equipped with military satellite television, which airs very limited American broadcasts which are normally pre-recorded and aired at a later time than normal. We believe our service offering will be far more attractive to the military member

than the U.K.-based and focused television offering and the limited military network offering.

3. Marketing Strategy

We developed our marketing strategy after careful examination of the target market's size, structure, behavior and external factors. Our chosen product positioning and messaging is based on our sales, market penetration strategy and profit goals.

3.1. Value Proposition

WorldTVNet specializes in delivering high quality TV programming to military members living abroad. We deliver our digital TV content through the Internet which means anyone with a computer and a broadband internet connection can access major entertainment stations. Our company is geared to serve the global community; however our initial focus is military members, their families and Department of Defense civilians stationed in Germany. We have formed partnerships with major networks and broadcasters to bring our customers quality entertainment. Subscribers of our service have the opportunity to access entertainment, news, and information from their home country with the click of a mouse button.

Our programming is also portable, enabling subscribers to download television programming content to their mobile devices to enjoy quality entertainment on-the-go. In addition to quality TV programming, we also provide outstanding customer service. We are conscious that we serve a predominantly American-cultured community living abroad and strive to address the diverse needs of this segment.

Subscribers can reach our well trained, customer service team 24 hours a day, 7 days a week. We strive to resolve most issues within three hours of customers' initial contact. Customers can reach us via phone, live chat, or email.

3.2. Critical Issues

We have many strengths to include our first-hand knowledge and experience with the consumer's unique needs and desires, investment in our technological infrastructure, strong partnership with networks and broadcasters and a well trained and empowered staff. Our challenges involve the need to differentiate our service offering from other IPTV providers, formulate a marketing strategy to reach our consumer base in a foreign speaking country, establish our brand identity in a foreign market and compete for market share with major IPTV content providers who may soon move into the global market.

Critical issues for the WorldTVNet include: Differentiate ourselves from our competition and offering added value to our customers; recruit subscribers and developing further customer loyalty in a competitive market; establish the brand image of leader in IPTV services; generate revenue from advertising sales by recruiting advertises; continue improvement of our technological infrastructure; on-going employee training, customer service, technological support, sales, administrative, and management.

3.3. Financial Objectives

The goal of WorldNetTV is to realize sales of \$2,500,000 the first year, increasing at a double digit growth year for the first two years, then increase 15% annually. We will develop/improve delivery of IPTV through continual/advance training and continuous technology improvement/updates, increasing our contribution margin 30% of sales by third year.

3.4. Marketing Objectives

Establish ourselves as the leading provider of Internet TV service, increase public awareness of our service and brand, communicate our service advantage to potential customers and secure subscribers to our service.

3.5. Target Market Strategy

We selected United States military members in Germany because they are an under-served market, typically technology savvy and by the nature of its makeup the majority of its members belong to the technology generation. We believe this will make implementation and acceptance of our service easy as the technology generation easily accepts new technology, are unafraid of innovative ideas and trying new things. These particular consumers also prefer the internet over other media sources of information and lack a current medium to experience a "home" television experience.

The major IPTV provider in Germany has failed the military member in prior service offerings and customer service and we feel the time is now to move into the market and offer a willing, ready and capable group a service they've been waiting on.

The service will be compatible no matter which country you travel to which will be a bonus for military members required to spend 15 months in Iraq or Afghanistan.

Another bonus is many of these consumers have laptops and other portable media devices, meaning they can experience television from their home country on-the-go.

3.6. Messaging

WorldTVNet specializes in bringing the world to its customers' doorstep, anywhere, anytime, anyplace. WorldTVNet offers a customer-oriented experience, by providing the most comprehensive and user-friendly internet television network. In mere minutes, we blast directly to the customers media of choice personalized, high quality, world-wide, internet television that can be watched at the customer's discretion, at home or on-the-go. Keeping the world at your fingertips, by bringing the world to you!

3.6.1. Branding

Our company name, "WorldTVNet" is our brand, along with our slogan, "We bring the world to you!" Our name and our slogan detail our mission of bringing television via the internet from the military member's home of record right to their fingertips anywhere in the world. Our brand promises a professional, customer-oriented and personalized internet television experience. We will measure the brand's effectiveness by quantifying subscription contracts at the end of promotional offers, repeat customers and customers who reach out to WorldTVNet to switch from our competitors' product in favor of ours.

Target Market Messaging	
Market Segments	Messaging
Active-Duty personnel	Stay connected with home through our comprehensive and easy to use IPTV service
Overseas military staff	Stay connected with home through our comprehensive and easy to use IPTV service
Other	Stay connected with home through our comprehensive and easy to use IPTV service

4. Marketing Mix

We are utilizing integrated marketing to maximize our ability to create, communicate and deliver value for our customers. Our marketing-mix decisions are made to influence the final buyer. We've developed a product offering, pricing and communication mix that is most appropriate for a new service in the growth stage of the product-life cycle.

4.1. Product Marketing

As the world environment changes, many military members are increasingly being stationed overseas for longer periods of time. WorldTVNet provides military members living abroad the ability to access real-time television programs through the internet. Our highly-skilled, empowered team of customer service experts will be available 24 hours a day via a live internet chat room, email or telephone to ensure our customers have a pleasant and fulfilling internet television experience.

Our most exciting offer will enable our customers to pick and choose their own channel line-up. We will not dictate channel packages like our competitors. WorldTVNet promises discretionary viewing for its customers. They pick the time the channels and the location and medium from which they wish to watch television.

4.2. Pricing

WorldTVNet will minimize costs, ensuring everyone who desires to enjoy our service has the opportunity to do so. We will offer better value and quality to our customers at a lower price than most competitors, offering substitute service. WorldTVNet's competitors are having a difficult time providing quality, user-friendly IPTV service to its customers. With this in mind, WorldTVNet will price its product to gain the maximum market share, pricing its product lower than its competitors, assuming lower prices will stimulate growth and high quality will encourage customer loyalty.

<i>Price List</i>		
Item	Description	Per Unit Price
Bronze Package	Choice of 30 Channels plus 3 Premium channels	\$35
Silver Package	Choice of 50 channels plus choice of 5 premium channels & access to on-demand service	\$55
Gold Package	Choice of 70 Channels plus choice of 7 premium channels & access to on-demand service	\$75
Platinum Package	Choice of unlimited channels plus 15 premium channels, one sports package & access to on-demand service	\$105
Diamond Package	Choice of unlimited channels plus unlimited premium channels, unlimited sports package, access to on-demand service & video gaming	\$150

4.3. Promotion

WorldTVNet uses integrated marketing communications (IMC). The comprehensive promotion plan is designed to ensure the marketing message received relevant and consistent. The promotion plan uses advertising, public relations and direct marketing to achieve the communications objectives of brand awareness and

brand purchase. We are introducing a new service to the marketplace and during the introduction stage of product life-cycle our primary goal is to create awareness and encourage customers to try our service. We will invest a large portion of the marketing budget in marketing communications during the initial product launch and throughout the growth period.

4.3.1. Advertising

We use informative advertising to create awareness and knowledge of our product, service and brand to target military servicemembers and their families stationed in Germany. We will advertise in base newspapers and use place-advertising in military Morale, Welfare and Recreation facilities. We will also request that the military housing office continue to acknowledge WorldTVNet during their new comer's orientation.

DMBA 603 New Product

Milestones					
Advertising	Start Date	End Date	Budget	Manager	Department
Creative Concepting	2/1/2008	2/15/2008	\$50,000	Yu Wu	Marketing
Media planning	2/5/2008	2/15/2008	\$2,000	Staci Coleman	Marketing
Review creative and media plan (revision if needed)	2/16/2008	2/29/2008	\$0	Yu Wu	Marketing
Place media buys	3/1/2008	3/5/2008	\$100,000	Staci Coleman	Marketing
Print ad design	3/1/2008	3/15/2008	\$15,000	Yu Wu	Marketing
Out of Home design	3/1/2008	3/15/2008	\$10,000	Yu Wu	Marketing
Collateral materials design	3/1/2008	3/15/2008	\$8,500	Staci Coleman	Marketing
Collateral material - printing	3/16/2008	3/25/2008	\$25,000	Yu Wu	Marketing
Print ad visioning	3/16/2008	3/20/2008	\$5,000	Yu Wu	Marketing
Creative trafficking	3/21/2008	3/31/2008	\$1,000	Staci Coleman	Marketing
Total Advertising Budget			\$216,500		

4.3.2. Public Relations

We will utilize marketing public relations (MPR) to support our product promotion and brand building efforts. The PR team will generate publicity by sending press releases of product and service launch and other company news and information to military media outlets and the company will seek sponsorship opportunities of local military base events.

DMBA 603 New Product

Milestones					
PR	Start Date	End Date	Budget	Manager	Department
PR plan development	1/1/2008	1/31/2008	\$2,000	Staci Coleman	Marketing
PR Plan review	2/1/2008	2/5/2008	\$0	Staci Coleman	Marketing
Finalize Plan	2/6/2008	2/10/2008	\$1,500	Staci Coleman	Marketing
First press release	3/25/2008	3/31/2008	\$800	Yu Wu	Marketing
Internal newsletter	3/1/2008	4/1/2008	\$3,000	Yu Wu	Marketing
Follow up press release	7/20/2008	8/1/2008	\$500	Yu Wu	Marketing
Total PR Budget			\$7,800		

4.3.3. Direct Marketing

Direct marketing will be a major part of the integrated marketing communications plan. Our direct marketing communication plan is a pronged approach of direct mail, inbound telemarketing and interactive marketing. WorldTVNet will request permission from the military to place advertisement in the on-base mailbox of each member. The direct mail will encourage potential customers to contact us via our Website or by telephone for a free trial of our service.

Interactive marketing will give use the opportunity to directly interact with the customers. Internet advertising like banner ads, web site, and search-related ads are part of our e-marketing strategy. We will purchase banner ad placement on military affiliated web sites. The banner ads will link to our website where customer can learn more of our service and make purchases. Moreover, we will purchase targeted internet search key words to ensure our website will be found by customers within our service area.

DMBA 603 New Product

Milestones						
	Start Date	End Date	Budget	Manager	Department	
Direct Marketing						
Direct Mail Planning	1/1/2008	1/31/2008	\$500	Staci Coleman	Department	
Mailing List purchase	2/1/2008	2/15/2008	\$1,500	Staci Coleman	Department	
Direct Mail Design	2/1/2008	2/21/2008	\$5,000	Yu Wu	Department	
Direct Mail Printing	2/21/2008	3/10/2008	\$10,000	Staci Coleman	Department	
Direct mail mailing	3/11/2008	3/25/2008	\$6,000	Staci Coleman	Department	
Banner ad Planning	1/1/2008	1/31/2008	\$500	David D'Orr	Department	
Banner ad Design	2/1/2008	2/21/2008	\$2,500	David D'Orr	Department	
Splash page design	2/1/2008	2/21/2008	\$1,500	David D'Orr	Department	
Splash Pages go live	3/1/2008	3/1/2008	\$0	David D'Orr	Department	
Web site planning	1/1/2008	1/31/2008	\$500	David D'Orr	Department	
Web site design	2/1/2008	2/29/2008	\$3,500	David D'Orr	Department	
Web site testing	3/1/2008	3/15/2008	\$2,500	David D'Orr	Department	
Web site Launch	3/16/2008	3/31/2008	\$0	David D'Orr	Department	
Total Direct Marketing Budget			\$34,000			

4.4. Service

WorldTVNet is a service business. Our success is dependent on how well we deliver our service. WorldTVNet is committed to delivering quality entertainment our customers can count on.

To ensure quality service:

- We've made it our business to recruit people with strong customer service backgrounds with a passion for resolving issues. Furthermore, we've implemented policies which empower our employees to make decisions and resolve customer problems/complaints. Our staff is very knowledgeable and system savvy. To ensure our customer service representatives have more than the basic knowledge to manipulate the internet television system, we provide our customer representatives a full complimentary internet television package for

home use. Our expert team will always be on staff ready to provide service and instant resolve to WorldTVNet customers. Our staff's performance will be evaluated internally on a quarterly basis and randomly through customer surveys.

- We've setup dedicated communication lines that connect directly to our channel providers to resolve technical issues not initiated on our service-end. Additionally, we have quality agreements with our channel providers and will continually evaluate channel provider service/quality as it is a major component of our quality promise.
- WorldTVNet will also survey the customer service team quarterly to measure its morale and ensure the company is taking care of its team that takes care of its customers. The survey will include morale, personal, professional, health and wellness questions and contain a free narrative comment section, enabling employees to comment on relevant issues not covered in the questionnaire. Management will have one week to address employee concerns and will annotate lessons learned and best practices for future discussion/possible implementation at the monthly manager's meeting.

4.5. International Markets

WorldTVNet's aims to be a global firm and will primarily provide services to US military service members who are stationed overseas. We will initially launch the service in Germany and expand to the rest of Europe and eventually extend into Asia and Africa. Our main target customer base is American military service members which

allow us to adapt a globally standardized marketing mix. Running the same marketing communications programs in all markets will keep the marketing cost low and create a consistent brand image and enable us to communicate the brand message quickly and efficiently.

4.6. Implementation Schedule

- We will implement integrated marketing communications. We've timed the launch of our marketing programs, advertising, public relations and direct marketing will hit market around the same time and will support each other.
- Dates, budgets, budget and marketing objectives are clearly listed in the milestone chart. Projects are divided among the managers and the managers acknowledge their responsibilities and have the resources to complete all tasks. Project progress and budget will be tracked and discussed at our weekly product launch meetings.

DMBA 603 New Product

Milestones					
Advertising	Start Date	End Date	Budget	Manager	Department
Creative Concepting	2/1/2008	2/15/2008	\$50,000	Yu Wu	Marketing
Media planning	2/5/2008	2/15/2008	\$2,000	Staci Coleman	Marketing
Review creative and media plan (revision if needed)	2/16/2008	2/29/2008	\$0	Yu Wu	Marketing
Place media buys	3/1/2008	3/5/2008	\$100,000	Staci Coleman	Marketing
Print ad design	3/1/2008	3/15/2008	\$15,000	Yu Wu	Marketing
Out of Home design	3/1/2008	3/15/2008	\$10,000	Yu Wu	Marketing
Collateral materials design	3/1/2008	3/15/2008	\$8,500	Staci Coleman	Marketing
Collateral material - printing	3/16/2008	3/25/2008	\$25,000	Yu Wu	Marketing
Print ad visioning	3/16/2008	3/20/2008	\$5,000	Yu Wu	Marketing
Creative trafficking	3/21/2008	3/31/2008	\$1,000	Staci Coleman	Marketing
Total Advertising Budget			\$216,500		
PR	Start Date	End Date	Budget	Manager	Department
PR plan development	1/1/2008	1/31/2008	\$2,000	Staci Coleman	Marketing
PR Plan review	2/1/2008	2/5/2008	\$0	Staci Coleman	Marketing
Finalize Plan	2/6/2008	2/10/2008	\$1,500	Staci Coleman	Marketing
First press release	3/25/2008	3/31/2008	\$800	Yu Wu	Marketing
Internal newsletter	3/1/2008	4/1/2008	\$3,000	Yu Wu	Marketing
Follow up press release	7/20/2008	8/1/2008	\$500	Yu Wu	Marketing
Total PR Budget			\$7,800		
Direct Marketing	Start Date	End Date	Budget	Manager	Department
Direct Mail Planning	1/1/2008	1/31/2008	\$500	Staci Coleman	
Mailing List purchase	2/1/2008	2/15/2008	\$1,500	Staci Coleman	Department
Direct Mail Design	2/1/2008	2/21/2008	\$5,000	Yu Wu	Department
Direct Mail Printing	2/21/2008	3/10/2008	\$10,000	Staci Coleman	Department
Direct mail mailing	3/11/2008	3/25/2008	\$6,000	Staci Coleman	Department
Banner ad Planning	1/1/2008	1/31/2008	\$500	David D'Orr	Department
Banner ad Design	2/1/2008	2/21/2008	\$2,500	David D'Orr	Department
Splash page design	2/1/2008	2/21/2008	\$1,500	David D'Orr	Department
Splash Pages go live	3/1/2008	3/1/2008	\$0	David D'Orr	Department
Web site planning	1/1/2008	1/31/2008	\$500	David D'Orr	Department
Web site design	2/1/2008	2/29/2008	\$3,500	David D'Orr	Department
Web site testing	3/1/2008	3/15/2008	\$2,500	David D'Orr	Department
Web site Launch	3/16/2008	3/31/2008	\$0	David D'Orr	Department
Total Direct Marketing Budget			\$34,000		
Web Development	Start Date	End Date	Budget	Manager	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Other	1/1/2006	1/15/2006	\$0	ABC	Department
Total Web Development Budget			\$0		
Other	Start Date	End Date	Budget	Manager	Department

DMBA 603 New Product

Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Name me	1/1/2006	1/15/2006	\$0	ABC	Department
Other	1/1/2006	1/15/2006	\$0	ABC	Department
Total Other Budget			\$0		
Totals			\$258,300		

5. Financials

Financial analysis is in the following sub-sections.

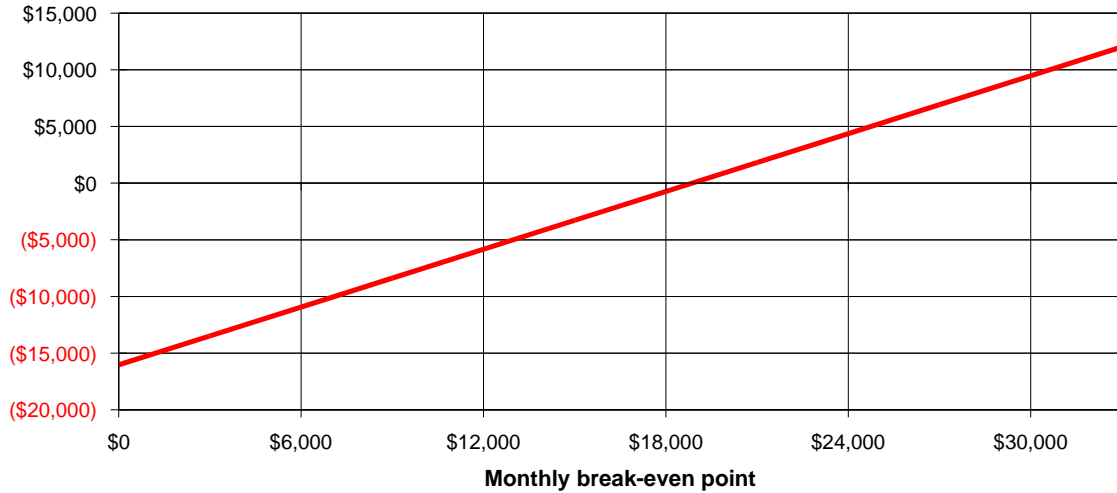
5.1. Break-even Analysis

Based on the break-even analysis, WorldTVNet will currently break even at a monthly sales point of \$18,862.

<i>Fixed Costs</i>	
Cost	
Rent or Lease	\$2,200
Professional Services	\$1,000
Payroll	\$9,583
Interest Payments	\$1,250
Utilities & Telephone	\$1,000
Non-discretionary Marketing Expenses	\$1,000
Other	\$0
Total Fixed Costs	\$16,033

<i>Break-even Analysis</i>	
Monthly Revenue Break-even	\$18,862
Assumptions:	
Average Percent Variable Cost	15%
Estimated Monthly Fixed Cost	\$16,033

Break-even Analysis



Break-even point = where line intersects with 0

5.2. Sales Forecast

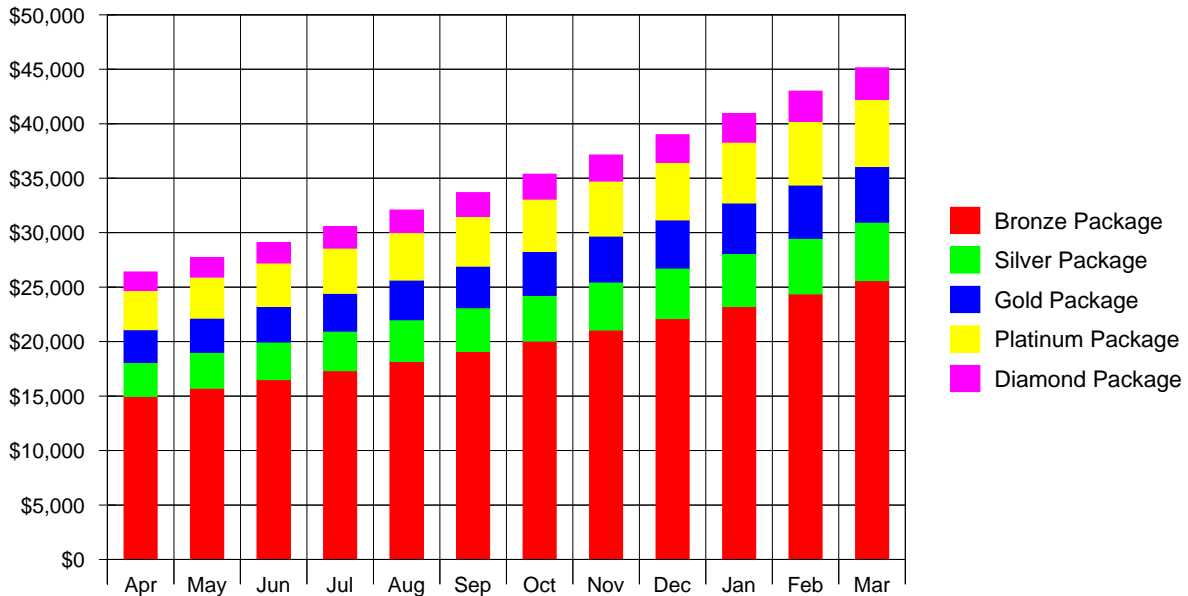
Department of Defense reported in September 30, 2007 that there are 57,080 active duty military personnel stationed in Germany. We forecast 1% of the personnel, 570 people, will sign up for our service at the initial launch. We project that 75% of the initial customers will sign up for our \$35 per month, Bronze Package. In addition, we project a 5% increase in number of subscribers each month for the first year.

We share a portion of our sales revenue with some of the US Television networks for the rights to broadcast their TV contents. The direct cost of sales is 14% of the price of each service package. The direct cost of sales for Bronze, Silver, Gold, Platinum, and Diamond Packages are \$5, \$7.70, \$10.50, \$14.7, and \$21 respectively.

DMBA 603 New Product

Sales Forecast			
	FY 2009	FY 2010	FY 2011
Sales			
Bronze Package	\$238,160	\$273,884	\$314,967
Silver Package	\$49,900	\$57,385	\$65,993
Gold Package	\$47,632	\$54,777	\$62,993
Platinum Package	\$57,158	\$65,732	\$75,592
Diamond Package	\$27,218	\$31,301	\$35,996
Total Sales	\$420,069	\$483,079	\$555,541
Direct Cost of Sales			
	FY 2009	FY 2010	FY 2011
Bronze Package	\$34,023	\$39,126	\$44,995
Silver Package	\$6,986	\$8,034	\$9,239
Gold Package	\$6,668	\$7,669	\$8,819
Platinum Package	\$8,002	\$9,203	\$10,583
Diamond Package	\$3,811	\$4,382	\$5,039
Subtotal Direct Cost of Sales	\$59,490	\$68,414	\$78,676

Sales Monthly



5.3. Expense Forecast

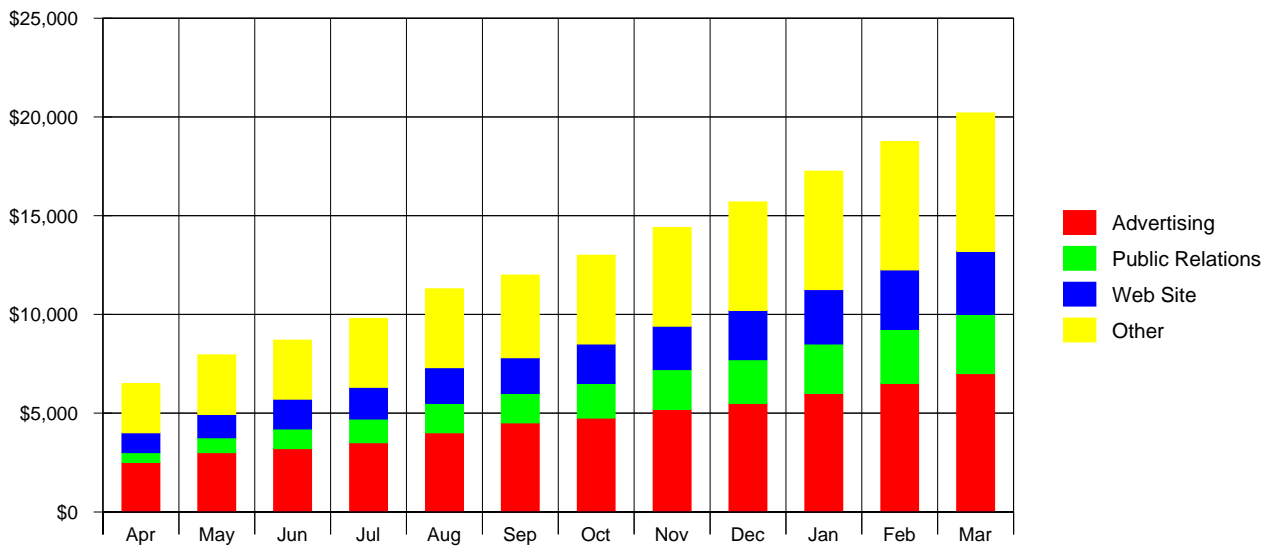
We project our marketing expense will increase as our sales increase. However, our marketing cost per customer will decrease after we have established our brand

DMBA 603 New Product

presence and brand equity. Most of our marketing expense will go to interactive marketing and advertising. Advertising is important for a new company because it is an effective and fast way to create awareness in the marketplace. We have an aggressive advertising plan designed to create brand awareness quickly and establish WorldTVNet as the preferred provider of IPTV.

Marketing Expense Budget			
	FY 2009	FY 2010	FY 2011
Advertising	\$55,650	\$61,215	\$67,337
Public Relations	\$20,650	\$22,715	\$24,987
Web Site	\$24,550	\$27,005	\$29,706
Other	\$54,700	\$60,170	\$66,187
	-----	-----	-----
Total Sales and Marketing Expenses	\$155,550	\$171,105	\$188,216
Percent of Sales	37.03%	35.42%	33.88%

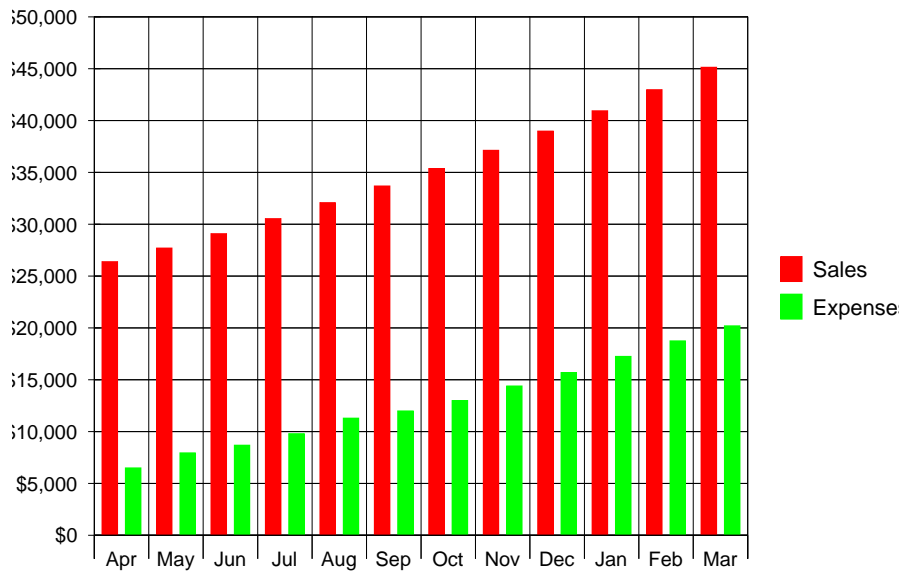
Monthly Expense Budget



5.4. Linking Expenses to Strategy and Tactics

Our initial marketing strategy is to establish brand awareness and generate sales. Our marketing expense will increase as our sales volume increases; however the recruitment cost per customer will steadily decrease as we build brand awareness and equity.

Sales vs. Expenses Monthly



5.5. Contribution Margin

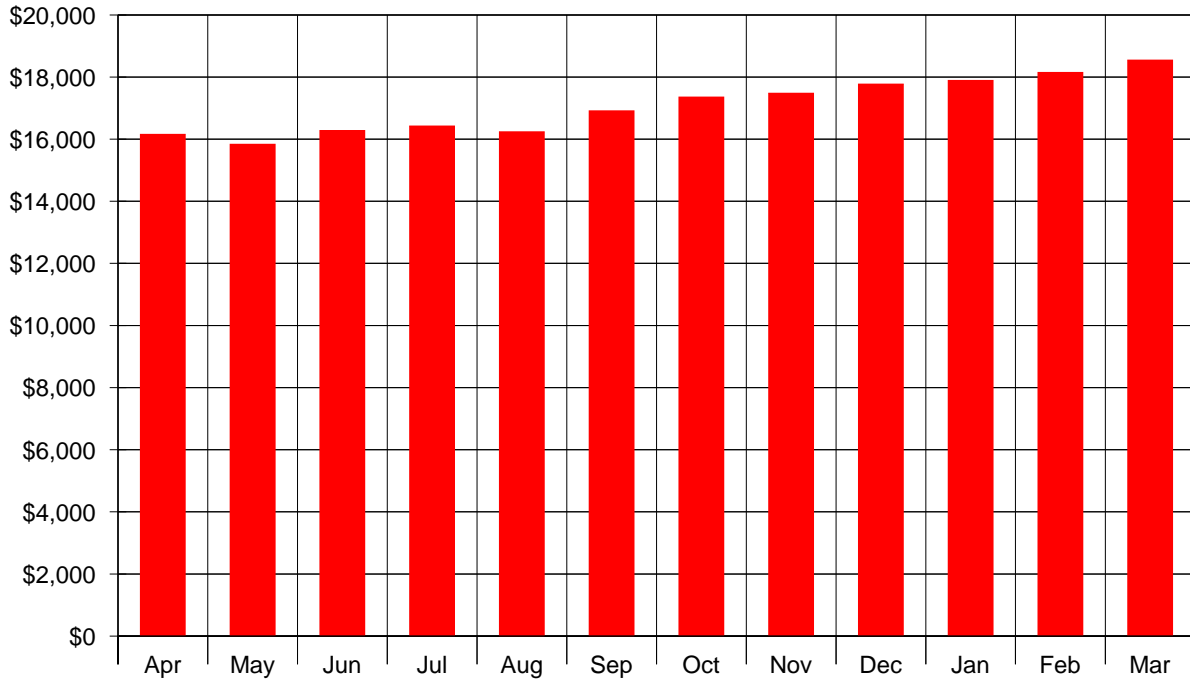
The contribution margin should increase steadily during the first year due to the following factors: The cost of sales goes down as we develop the business infrastructure and establish profitable partnerships and broadcast right, and contracts with TV networks; we will enjoy economy of scale and our cost will go down after we reach and maintain adequate membership levels; the advertising spending will

DMBA 603 New Product

stabilize once we create strong brand equity and awareness; our sales and marketing expenses will stabilize.

Contribution Margin			
	FY 2009	FY 2010	FY 2011
Sales	\$420,069	\$483,079	\$555,541
Direct Cost of Sales	\$59,490	\$68,414	\$78,676
Costs of Sales	\$0	\$0	\$0
	-----	-----	-----
Total Cost of Sales	\$59,490	\$68,414	\$78,676
Gross Margin	\$360,579	\$414,666	\$476,865
Gross Margin %	85.84%	85.84%	85.84%
Marketing Expense Budget	FY 2009	FY 2010	FY 2011
Advertising	\$55,650	\$61,215	\$67,337
Public Relations	\$20,650	\$22,715	\$24,987
Web Site	\$24,550	\$27,005	\$29,706
Other	\$54,700	\$60,170	\$66,187
	-----	-----	-----
Total Sales and Marketing Expenses	\$155,550	\$171,105	\$188,216
Percent of Sales	37.03%	35.42%	33.88%
Contribution Margin	\$205,029	\$243,561	\$288,650
Contribution Margin / Sales	48.81%	50.42%	51.96%

Contribution Margin Monthly



6. Controls

We've set up controls that will help us stay on schedule, track results and monitor internal and external environments. Contingency plans also are in place to help us modify our marketing strategy if necessary.

6.1. Implementation

We will implement our marketing plan in the following steps: Management team review and approval of plan; management agreement on implementation timeline and milestones; weekly manager meetings to ensure all phases of the project are on track and address issues and potential problems; internal assessment after the initial launch, lessons-learned meetings to refine future plans and activities, quarterly meetings

thereafter to monitor company progress and make adjustments if necessary; annual meeting to revisit current marketing plan and make adjustments.

6.2. Keys to Success

Create awareness and interest of our service, increase membership monthly, identify new growth areas and expand our service to other regions, diversify our programming offerings to attract more subscribers.

6.3. Market Research

We need to cover three main elements of market research: Competitors - We need to research our competitors' services and their technology; Demographics - We need to monitor the changing demographics of our consumers as IPTV becomes more and more mainstream; Technology - We need to keep up with the latest technological advancements in order to provide our customer with the best service possible.

6.4. Contingency Planning

We would most like to reassess our marketing plan if there is a sudden increase in competition. IPTV is still relatively new to the market; however, new competition is due to arrive very quickly. We will focus on niche market of military servicemembers and build relationship with the military community. Our plan B is to decrease mass communications and focus on building public relations and a strong relationship with the military.

7. References

- Bulik, B.S. (2007, October). Studies Find More TV Viewership Is Online. *Television Week*, 26(39), 13. Retrieved February 3, 2008, from ABI/INFORM Global database.
- Charny, B. (2008, January 10). Home & Family: Cable-TV Industry Girds for New Threats. *Wall Street Journal (Eastern Edition)*, p.D.2. Retrieved February 3, 2008, from ABI/INFORM Global database. (Document ID:1410412621).
- Dvorak, J. (2008, January). The IPTV Generation: Previewing Now. (Cover story). *PC Magazine*, pp. 75,75. Retrieved February 2, 2008, from Academic Search Premier database.
- Guevarra, V., & Lee, S.Y. (2008, January 9). Asian Telecoms Bet Big On IPTV to Lure Viewers. *Wall Street Journal (Eastern Edition)*. Retrieved February 3, 2008, from ABI/INFORM Global database.
- Kotler, P., & Keller, K. L. (2007). *A Framework for Marketing Management*. New Jersey: Pearson.
- MEDIA: Why the web is emerging as a champion, not an enemy, of TV. (2007, November). *Marketing Week*, 19. Retrieved January 25, 2008, from ABI/INFORM Global database.
- OPINION: Why the internet is the best thing to happen to television. (2007, March). *New Media Age*, 15. Retrieved January 26, 2008, from ABI/INFORM Global database.
- Porges, S. (2007, December 4). The Future of Web TV. *PC Magazine*, 26(24), 19-19. Retrieved January 26, 2008, from Business Source Premier database.
- Sanchanta, M. (2008, January). Matsushita and Google in internet TV pact. *FT.com*, 1. Retrieved January 26, 2008, from ABI/INFORM Global database.

US Department of Defense. (2007, September 30). *U.S. Department of Defense*. Retrieved March 24, 2008, from Department of Defense Personnel & Procurement Statistics:
<http://siadapp.dmdc.osd.mil/personnel/MILITARY/history/hst0709.pdf>

Sales Forecast													
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Sales													
Bronze Package	75%	\$14,963	\$15,711	\$16,496	\$17,321	\$18,187	\$19,096	\$20,051	\$21,054	\$22,106	\$23,212	\$24,372	\$25,591
Silver Package	10%	\$3,135	\$3,292	\$3,456	\$3,629	\$3,811	\$4,001	\$4,201	\$4,411	\$4,632	\$4,863	\$5,107	\$5,362
Gold Package	7%	\$2,993	\$3,142	\$3,299	\$3,464	\$3,637	\$3,819	\$4,010	\$4,211	\$4,421	\$4,642	\$4,874	\$5,118
Platinum Package	6%	\$3,591	\$3,771	\$3,959	\$4,157	\$4,365	\$4,583	\$4,812	\$5,053	\$5,306	\$5,571	\$5,849	\$6,142
Diamond Package	2%	\$1,710	\$1,796	\$1,885	\$1,980	\$2,079	\$2,182	\$2,292	\$2,406	\$2,526	\$2,653	\$2,785	\$2,925
Total Sales		\$26,391	\$27,711	\$29,096	\$30,551	\$32,078	\$33,682	\$35,366	\$37,135	\$38,992	\$40,941	\$42,988	\$45,138
Direct Cost of Sales													
Bronze Package	75%	\$2,138	\$2,244	\$2,357	\$2,474	\$2,598	\$2,728	\$2,864	\$3,008	\$3,158	\$3,316	\$3,482	\$3,656
Silver Package	10%	\$439	\$461	\$484	\$508	\$533	\$560	\$588	\$618	\$648	\$681	\$715	\$751
Gold Package	7%	\$419	\$440	\$462	\$485	\$509	\$535	\$561	\$590	\$619	\$650	\$682	\$717
Platinum Package	6%	\$503	\$528	\$554	\$582	\$611	\$642	\$674	\$707	\$743	\$780	\$819	\$860
Diamond Package	2%	\$239	\$251	\$264	\$277	\$291	\$306	\$321	\$337	\$354	\$371	\$390	\$409
Subtotal Direct Cost of Sales		\$3,737	\$3,924	\$4,121	\$4,327	\$4,543	\$4,770	\$5,009	\$5,259	\$5,522	\$5,798	\$6,088	\$6,392

Marketing Expense Budget												
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Advertising	\$2,500	\$3,000	\$3,200	\$3,500	\$4,000	\$4,500	\$4,750	\$5,200	\$5,500	\$6,000	\$6,500	\$7,000
Public Relations	\$500	\$750	\$1,000	\$1,200	\$1,500	\$1,500	\$1,750	\$2,000	\$2,200	\$2,500	\$2,750	\$3,000
Web Site	\$1,000	\$1,200	\$1,500	\$1,600	\$1,800	\$1,800	\$2,000	\$2,200	\$2,500	\$2,750	\$3,000	\$3,200
Other	\$2,500	\$3,000	\$3,000	\$3,500	\$4,000	\$4,200	\$4,500	\$5,000	\$5,500	\$6,000	\$6,500	\$7,000
Total Sales and Marketing Expenses	\$6,500	\$7,950	\$8,700	\$9,800	\$11,300	\$12,000	\$13,000	\$14,400	\$15,700	\$17,250	\$18,750	\$20,200
Percent of Sales	24.63%	28.69%	29.90%	32.08%	35.23%	35.63%	36.76%	38.78%	40.27%	42.13%	43.62%	44.75%

Contribution Margin												
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Sales	\$26,391	\$27,711	\$29,096	\$30,551	\$32,078	\$33,682	\$35,366	\$37,135	\$38,992	\$40,941	\$42,988	\$45,138
Direct Cost of Sales	\$3,737	\$3,924	\$4,121	\$4,327	\$4,543	\$4,770	\$5,009	\$5,259	\$5,522	\$5,798	\$6,088	\$6,392
Costs of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	----- \$3,737	----- \$3,924	----- \$4,121	----- \$4,327	----- \$4,543	----- \$4,770	----- \$5,009	----- \$5,259	----- \$5,522	----- \$5,798	----- \$6,088	----- \$6,392
Gross Margin	\$22,654	\$23,786	\$24,975	\$26,224	\$27,535	\$28,912	\$30,358	\$31,876	\$33,470	\$35,143	\$36,900	\$38,745
Gross Margin %	85.84%	85.84%	85.84%	85.84%	85.84%	85.84%	85.84%	85.84%	85.84%	85.84%	85.84%	85.84%
Marketing Expense Budget	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Advertising	\$2,500	\$3,000	\$3,200	\$3,500	\$4,000	\$4,500	\$4,750	\$5,200	\$5,500	\$6,000	\$6,500	\$7,000
Public Relations	\$500	\$750	\$1,000	\$1,200	\$1,500	\$1,500	\$1,750	\$2,000	\$2,200	\$2,500	\$2,750	\$3,000
Web Site	\$1,000	\$1,200	\$1,500	\$1,600	\$1,800	\$1,800	\$2,000	\$2,200	\$2,500	\$2,750	\$3,000	\$3,200
Other	\$2,500	\$3,000	\$3,000	\$3,500	\$4,000	\$4,200	\$4,500	\$5,000	\$5,500	\$6,000	\$6,500	\$7,000
Total Sales and Marketing Expenses	----- \$6,500	----- \$7,950	----- \$8,700	----- \$9,800	----- \$11,300	----- \$12,000	----- \$13,000	----- \$14,400	----- \$15,700	----- \$17,250	----- \$18,750	----- \$20,200
Percent of Sales	24.63%	28.69%	29.90%	32.08%	35.23%	35.63%	36.76%	38.78%	40.27%	42.13%	43.62%	44.75%
Contribution Margin	\$16,154	\$15,836	\$16,275	\$16,424	\$16,235	\$16,912	\$17,358	\$17,476	\$17,770	\$17,893	\$18,150	\$18,545
Contribution Margin / Sales	61.21%	57.15%	55.94%	53.76%	50.61%	50.21%	49.08%	47.06%	45.57%	43.70%	42.22%	41.09%
