



Business and Economics' Faculty

FINAL PROJECT

DEGREE IN INTERNATIONAL BUSINESS ADMINISTRATION

MARKETING PLAN OF THE ENTERPRISE DOMÓTICA DAVINCI

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EXECUTIVE SUMMARY

¿Can you imagine living in an apartment or house that improves your quality of life? The company Domótica DaVinci is recognized by its experience offering home automation products and services assuring comfort at home and at work. It is recognized for its projects, products and services in terms of quality, innovation, sustainability and adaptation to the needs of today's society. One of the great advantages they have is their international expansion.

After doing a good analysis of the company, some objectives have been established to be carried out with a selection of strategies and action plans in order to increase consumer awareness of the benefits that home automation can bring to them, and to increase the attractiveness of the company to encourage purchase.

KEY WORDS:

- Marketing Plan
- Home automation
- International ambition
- Increase sales
- Increase awareness



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0. INTRODUCTION

Many people today do not know what the home automation is, and many will still be wondering what it is exactly. But, despite not being a subject that is spoken about daily, it is becoming known worldwide and it is very interesting to focus on a company that engages in this type of product. Home automation has a high growth potential today.

I didn't know before the company “**Domótica DaVinci**” until I was offered to develop a marketing plan about it. I saw that it was a very innovative company, based on these technologies.

The integration of home automation has many benefits. Some of them are:

- Saves energy and money
- Our quality of life increases
- Can be controlled by systems from inside and outside the home.
- The home automation industry has evolved over the years and we can find more variety of products with a higher quality, easier to use and available to different economic levels.

In this final project I am going to do some previous studies (internal and external) in order to define the goals, strategies and the actions to achieve those objectives.

The company Domótica Davinci, is not only in Spain, but also in other countries of Europe and Latin America. But, in this case, I'm going to focus on Spain.

1. ANALYSIS OF THE SITUATION OF MARKETING

1.1. Internal analysis

The best way to know an enterprise is doing an internal analysis of it. This analysis consist on finding information and doing a research about the company in terms of its mission, financial situation, the 4Ps, the market, its positioning and the relationships that the company may have.

1.1.1. *Business analysis*

History

Jose Miguel Rubio Varas, co-founder of Domótica DaVinci, is an engineer of telecommunications who, in 2007, left his job in Madrid to develop their projects and start in Tiñana (Oviedo).

In an interview he said: "Well, home automation adventure begins before. Between late 2005 and early 2006 I knew that I wanted to undertake, I wanted to live in Provincias and leave Madrid. I decided that I would work with home automation, thinking that the technology was mature enough to reach the whole world, which evidently had not yet occurred. "

He and his brother-in-law, Jorge Moreno, did the Master of Integrated Automation of CEDINT UPM Madrid, where his final dissertation project was their business plan.

It's in February 2008 when the company Domótica DaVinci officially started up, right at the beginning of the crisis. "Since 2008 the activity has been focused on taking experience in various systems, the realization of the first projects, the teaching and training and opens paths in many other areas around the technology to continue."

Source: (DOMOPRAC)

The enterprise

- Domótica DaVinci is a multidisciplinary team, specialists and with a wide experience that offers comfort at home and at work. It is recognized for its projects, products and services in terms of quality, innovation, sustainability and adaptation to the needs of today's society.

The company offers projects ranging from concept, to engineering, installation, approval and certification (that everything is correct), user training, maintenance and servicing. They like future relationships with their customers.

The main MISSION is to put technology at the service of quality of life while maintaining environmental sustainability.

- In the ORGANIZATION of the company we can find:
 - José Miguel Rubio Varas, co-founder of Domótica DaVinci. Engineer of Telecommunications. He says his passion is home automation, that not only is not expensive and a source of problems, but also it is for everyone.

- Miriam Suarez, sales manager and co-founder. She likes to apply new technologies in a natural way into life and people around it.
- Until March Alfonso Eguino, technology consultant and responsible for development and online marketing. He loves gadget, programming devices and social networking. Now he isn't anymore in the company.

They also have one contributor in each country that receives a commission for each sale. These people are very motivated.

Financial results (*Source: SABI*)¹

Analyzing the balance sheet in 2011 and 2012 (that are available in the APPENDIX) we can see that the company has a profit balance and this is reflected in equity (patrimonio neto) within liabilities (pasivo). There is a big difference between 2011 and 2012, being higher the last one.

We can see that sales also increased in 2012 compared to 2011 and actually this growth process is continuing. This data can be reflected in the net amount of turnover (importe neto de la cifra de negocios) in the statement of profit and loss.

However, despite these increases, we can see that the income statement (resultado del ejercicio), which reports the final financial position of the company, was negative in both years. This negativity causes a reduction in wealth of the owners of the company.

- The RATIOS in 2011-2012²

Some comments about them:

Liquidity ratio: It must be more than one. In this case in 2011 is 0, 69 so that means that it must pay its short-term debts selling fixed assets, so reducing productive capacity. In 2012 it was 2, 69: this is a situation that can be linked to an excess of capital that can influence negatively on the profitability of the company.

Warranty ratio: it must be more than one. In both years (in 2011: 1, 36 and in 2012: 1, 05) it meets this. That means that the company has sufficient guarantees to third parties, as fulfilling all its obligations in the short and long term, it maintains some of its assets.

¹ In the appendix we can see the Balance Sheet

² In the appendix we can see the calculations

Debt ratio: The lower the value, the lower the level of debts and better the stability. This allows the company access to new sources of funding. In both years (in 2011: 2, 71 and in 2012: 16, 80) the result is higher than 2 and this means that it has an excess of indebtedness. We can see that in 2012 it was very high.

The Boston Consulting Group approach

	High relative market share	Low relative market share
High market growth	STAR	QUESTION MARK
Low market growth	CASH COW	DOG

Chart 1: BCG Matrix. Made by hand

In this section I will analyze the business area in which Domótica DaVinci is located. We can say that the enterprise is occupying a **question mark** position because the company's sales are increasing each year (they have a high market growth), but the dimension of this company and the fact that they don't have enough customers and project management process, make it difficult for them to become a well know company (low market share).

Market growth = (Sales in 2012-Sales in 2011)/ (Sales in 2011)

Market growth= (119,636-105,146)/105,146= 13,78%. The company is increasing sales.

Market share= sales in Domótica Davinci/ sales in the whole sector

Market share= 119,636/144,419,454=0.08% (very low)

Source: (CEDOM)

1.1.2. Business strategy. Marketing Mix

In this section I will analyze the 4Ps: Product, Price, Place and Promotion which in turn is related to the 4Cs: Consumer, Cost, Convenience and Communication.

More in detail:

Product

Domótica DaVinci offers different products and services **for home or workplace** in a clear way, easy to use and perfectly adapted to every lifestyle and needs. They always respect the environment. All products are mostly based on a wireless technology called Z-Wave. This allows that the premises don't need works and projects, and customers manage themselves (it would be like an Ikea but in home automation).

- Two types of packs are available for those who want to provide enjoyment of stay in their rural home to their clients, or for those seeking comfort and security in their own house or apartment. These packages can be adapted to each customer according to their requests and needs:
 - First, they offer the **Basic package** which includes essential services to control the house. Some of them are: the remote control of lighting, electrical outlets (sockets), air conditioning system and motion detection in the absence of people.
 - On the other hand, the **Standard packages** which includes the basic package plus additional services and how to access to them. These are: the control of opening the main door, leak detection and prevention with telephone notification, remote boiler control...



- The **pneumatic vacuum elevators (Elevador Neumático de Vacío)** are a home elevator formed by a vertical duct usually cylindrical, and a cabin that moves inside.

This lift is designed for an easier installation in places where it is difficult to install a conventional elevator.

It's one of the best solutions for installing a lift/elevator, because, among other things, it requires no pit or machine room. It contributes to the elimination of architectural barriers and facilitates accessibility with a touch of style and distinction.

Some features are:

- It can be dismantled and moved, that is, it is not a fixed installation
- It doesn't expend energy. It uses the force of gravity in the drop
- It is panoramic
- It is the safest one in the world
- It always stops at the exact level
- When a power cut happens, it drops to floor zero by itself.

The target audience for this type of product is people with special needs which are in a wheelchair.



- Currently, products for **education sector** are also offered. They are based on these new technologies such as the interactive whiteboard (Pizarra Digital Interactiva).

Source: (Domótica DaVinci)

As I said before, all products use the same wireless home automation: Z-Wave, which makes them compatible. But there are different manufacturers, which mean that we can find multiple brands:

Source: (Domótica DaVinci)

Inicio » Marca

Encuentre su Marca favorita

INDICE DE MARCAS: **A B C D E F G H K L M N P Q R S T U V W Z**

A	→ ACT	→ Aeon Labs	
B	→ BeNext	→ Bush Jaeger	
C	→ Chromatic Technologies	→ Connected Object	→ CurrentCost
D	→ Dallas Semiconductor	→ Danfoss	→ Domotica daVinci → Düwi
E	→ Eurotronic	→ Everspring	→ Express Controls
F	→ Fakro	→ Fibaro	→ FortrezZ → Foscam
G	→ GCE Electronics		
H	→ Horstmann	→ Hunter	→ Hunter Douglas
K	→ Kaba ExperT	→ Keene Electronics	
L	→ Logitech		
M	→ Martin Rentz GmbH	→ Merten	→ Mi Casa Verde
N	→ Netatmo	→ NorthQ	
P	→ Perceptive Automation Indigo	→ Philio Tech	→ Poly Control
Q	→ Qees	→ Quicksmart	
R	→ Remotec	→ RFXCom	→ Roowifi
S	→ Secure	→ Seluxit	→ Siegenia Aubi → Squareconnect
T	→ TKB Home	→ Trickle Start	

U → Universal Electronics

V → Violet → Vision

W → Wintop

Z → Z-Wave Europe → Z-Wave Me → Zipato → Zodianet

Apart from the different products, services are offered:

- Through the Internet, PC or Mac, and also from Tablets and Smart Phones, it is possible to take control of home automation products through different Apps developed by others, and sometimes even free. And, thanks to location based services, it is possible not only to know where the inhabitants at home are, but also turn the heat on and turn the alarm off when we are arriving at home.



- The design and setting-up of home automation devices in households given the specialty and experience.
- For those independent and unemployed, the company offers **courses and training** in enterprises. They have classroom courses in the Fundación Laboral de la Construcción de Asturias (FLC), about 300 hours, one or two editions a year. It provides obtaining training and title in this area as home automation, building automation and computer systems are sectors with large employment opportunities.

Year after year they continue with the will of increasing the introduction of new technology products that enable improved quality of life and satisfaction of people in their

households (I+D+i). They have already announced the DHCOMPLIANT II project. "DH Compliant is a project for the development, implementation, certification and dissemination of a universal and open standard that allows the integration of home automation, service robots and smart home appliances connected".³

This new project DH Compliant 2 is about integrating all devices so that they interact as a group (not just doing their individual tasks), featuring a collaboration. The advance, apart from their new devices, has been that each item of the equipment itself is intelligent and all are communicated with DHC2 so if a system of the housing loses connectivity, the rest of the house still works. When for example you enter into your house and an authorized car is detected, the entire system from the video camera makes the house open, the shutters go up ... Everything is a collaborative work led by a device, which in this case is the camera. The advantage is that you have all systems controlled by a device, either on TV, smart card, mobile phone...

It focuses primarily on energy development: knowing the part of energy that all devices have, the consumption, location... and on all collaborative tasks and the intelligence between devices, that is, if a device is able to recognize the qualities of another device.

Ingenium, Infobótica Universidad de Oviedo and Domótica DaVinci have participated in this project. Domótica DaVinci focuses on the added value of all manufactures and developments they bring to the real world covering the real needs that the market is demanding.

Source: (Domótica DaVinci)

Price

The company doesn't like to sell anything whose only value proposition is in the price. They try to pursue excellence, good customer service and long term relationship. It is considered that they are neither the cheapest nor the most expensive.

In the web page "Z-Wave España" they try to respect the official prices that manufacturers indicate. We can find the prices of the bestsellers, latest and featured products.

³ Source: <http://dhcompliant2.com/about-us/>

Manufacturers can perform certain promotions, but, regardless of this, Domótica DaVinci can also propose their own such as the volume discount, that is, the company offers discounts the greater the volume of the customer's purchase.

For professionals and installers, the company does a 10% discount with the first order and then 15% with the following.

We can see a wide range of prices depending on the number of functions and services: from 3.63€ of the Temperature Sensor 1-Wire, to 599€ of the Fibaro Home Center 2.

Place

The company offers as direct channel their website <http://www.domoticadavinci.com> where we can see different sections: Home, about us, home automation, services, projects, blog and contact. As the slogan says: "We put technology at the service of the quality of life". If the customer wants to build a house and make it safer, more comfortable, more efficient and healthier... it is possible to send the plans to the company and they will help him/her on how to put technology to satisfy them.

But one weakness is that all these projects have a very long life cycle, and the number of them they can do is limited because they don't have enough resources and they haven't found a way to make a profitable company with them.

In addition, Domotica DaVinci also has Z-Wave Stores belonging to them. These are characterized by not having a physical location, everything is online.

The name "Z-Wave España" was chosen because they want to be the official supplier of this technology in Spain. The wholesaler of the company is called "Z-Wave Europe", so with that, we can see the reason or sense of the "Z-Wave España" choice.

Products with Z-Wave technology have been sold across Europe, Latin America and occasionally in some other places, and mainly the store of each country sells in its country.

There are four stores in **Europe**:

- In Portugal: <http://z-wave.pt>
- In Spain: <http://zwave.es>
- In Italy: <http://zwaveit.com>

- In Slovenia: <http://zwave.si>

These four stores have the same format and are in six languages: Spanish, Portuguese, Italian, French, English and Slovenian.

One person in Italy, another in Portugal and another in Slovenia, helps in stores receiving a commission for each sale, but here in Spain they deal with everything else (logistics, technical support ...).



In **Latin America:**

- Dominican Republic: <http://zwave.do>
- Colombia: <http://zwave.com.co>
- Ecuador: <http://zwavec.com>
- Chile: <http://zwavechile.cl>

These stores are in Spanish and English.

In Latin America it is a bit different. The partner of each country has a small stock and he manages projects there. There are less direct online sales, which mean that stores are more like show-windows there.

As regards shipments, all are made by well known logistics companies such as DHL, Seur, MRW... After processing the customer order, he/she is informed of the shipping track number and how to trace the packets sent. The normal delivery time is 4 working days across Europe. If the order is done in a working day and before 13h it leaves the same day, but in any other case, it out the next business day. If the client also has an urgent request, the company is going to try to find the best solution.

Shipping charges are 9,99€+VAT, but for orders above 300€ there are not.

- The **vertical marketing channel** of this enterprise would be:

Manufacturer → Wholesalers (Damadoo/Z-Wave Europe) → Domótica DaVinci (Distributor/ Reseller) → Z-Wave stores (belonging to the company) → Final customer.

Promotion

Although home automation is increasingly used in homes, there are people who don't know what it is. They want to attract people and try to increase their quality of life so word of mouth is important.

Here the internet is everything. In the company there is a person in charge of all communication. The aim is always to upload a new video, add a new photo...such as the video which is uploaded in the web page (in projects section) explaining the new DHCOMPLIANT II, advertising in advance all its new features and benefits for the public.

They try to attract consumers with their webpage <http://www.domoticadavinci.com>, where they can be informed about home automation, their products, services...

We can see that in this site they use some questions with the purpose that the target audience thinks about the possibility of having a better and more comfortable life thanks to the automation: Are you the owner of a rural housing and still opening the door with keys? Have you thought about controlling your rural house from anywhere?

They also advertise directly that customers can tell the company what they need and Domótica DaVinci will provide information about different options of home automation technologies that consumers can use to improve their quality of life. This can result attractive for the customer.

They also publish their store in the website ("Z-Wave España") with a link in order to complete the information for the customer about the variety of home automation devices and products at the best price.

Other pages of the company to be known are:

- Blog: blog.domoticadavinci.com
- Twitter: <https://twitter.com/domoticadavinci/>
- Linkedin group:

https://www.linkedin.com/groups/Domotica-daVinci-2246720?trk=my_groups-b-grp-v

- Facebook: <https://www.facebook.com/DomoticaDavinci?ref=hl>
- Youtube channel: <https://www.youtube.com/user/domoticadavinci>
- Newsletter. They have about 3000 subscribers. This was the last one:

<http://www.domoticadavinci.com/newsletter/boletin201402/>

Each store of each country in Europe and America has the whole lot: twitter, Facebook page, LinkedIn group, newsletter...

But Google Adwords (program that uses Google to offer sponsored advertising to potential advertisers. So when people search for home automation products, the company stands out in the search), is made only in Spain and Italy (about 100 € per month each).

They also have a blog network in different languages for helping the spreading:

- Spanish: <http://domoticaparatodos.com>
- Portuguese: <http://domoticaparatodos.pt>
- Italian: <http://domoticapertutti.com>
- English: <http://domotica4all.com>

The intention here is that customers and contributors write about their experiences.

Finally, Domótica DaVinci also appears in some fairs and gives some talks, such as the *Ecosentido* fair which is the Ecological fair in Asturias, where they did a presentation with the title “La tecnología al servicio del hogar ecológico” in order to transmit the DH COMPLIANT II project. Also the *robótica Innoboro* fair in Lyon (France, from 19 to 21 March 2013) which is one of the most important in the world and the company went to know the most significant advances and developments in the robotic world.

As published in the blog in January, once again this year will be celebrated in Las Vegas the most important technology fair in the world, *CES*, and Domótica DaVinci will attend the event to know all trends and new products that will be presented in home automation.

1.1.3. *Market: customers*

Z-Wave stores in Europe sell directly to final customers or individuals, companies and professionals (half to individuals and half to businesses and professionals). The Company has a network of partners, as well as the sales manager of each country.

Domótica DaVinci receives orders all over the world but mainly the store of each country sells in its country.

In Europe they have more or less 1000 customers, of which 50% of them are from Italy, 40% from Spain and 10% from Portugal. The average order is between 300 and 400€.

More than half of its clients repeat due to their satisfaction. In the last months they are increasing the number.

Some characteristics of them:

- Final customers are always middle and upper class people; most of them are professionals (graduates), or without a high education but belonging to construction and electricity sector; and housing are specially apartments or family houses.
- About businesses, some of them are very big (such as Simón, Indra and Endesa) and others are engineering, development companies, and medium/small installers.

1.1.4. *Positioning analysis*

Nowadays home automation is not one of the main worries of a person and its position in the consumers' mind isn't important. But what they want is that everyone in their minds identifies home automation with comfort, security and energy saving at home and at work.

With their commercial offer the company wants to accomplish a recognizable global brand around digital life experience. But it is believed that they are very far from something like this yet.

1.1.5. *Partner relationship management*

In Domótica DaVinci, Z-Wave products are not purchased directly from manufacturers, but through wholesalers. They have two: One in France (Domadoo) where they buy the 85% and another in Germany where they buy the 15%. The reliance is very clear.

Although the relation with them is very kind and fair, they always have a plan B. For the moment they don't have enough volume to buy from manufacturers directly. They must buy a large volume for example from China, pay it and wait three months until the production and shipment are made.

There is also the risk of stock, something that is not sold as much as expected...

1.2. External analysis

Until now it has been used the internal analysis of the company, and now I will look outside the company, that is, how the environment affects the operation of the company in terms of opportunities to increase their profit.

1.2.1. Macroenvironment analysis

Despite the fact that the company is already in several countries, in this section I'm going to analyze the macroenvironment of the Southern Europe countries because most of the orders come from there: Spain, Italy (90% of customers are from both) and Portugal.

The Demographic Environment:

- **Spain** closed 2013 with a population of 47,129,783 people, which supposes an increase of 401 893 inhabitants compared to 2012, when the population was 46,727,890 people.

Female population is bigger, with 23,933,397 women (50.78% of the total) than male population with 23,196,386 men (49.21%). Spain has a moderate density, with 93 inhabitants per km².

- **Italy** closed 2012 with a population of 59,685,227 people, which supposes an increase of 291,020 inhabitants compared to 2011, when the population was 59,394,207 people.

Female population is bigger, with 30,795,630 women (51.59% of the total) than male population with 28,889,597 men (48.40%). Italy has 198 inhabitants per km².

- **Portugal** closed 2012 with a population of 10,487,289 people, which supposes a decrease of 55,109 inhabitants compared to 2011, when the population was 10,542,398 people.

Female population is bigger, with 5,491,592 women (52.36% of the total) than male population with 4,995,697 men (47.63%). Portugal has 114 inhabitants per km².

Source: <http://www.datosmacro.com/demografia/poblacion>

- Birth rate in **Spain** (number of births per thousand inhabitants in a year) was 9.70 ‰ in 2012 and the fertility rate (average number of children per woman) 1.32.

The mortality rate in 2012 in Spain has risen compared to 2011, reaching 8.60 ‰, that is, 8.60 deaths per thousand inhabitants.

- Birth rate in **Italy** was 9.00 ‰ in 2012 and the fertility rate 1.43.

The mortality rate in 2012 in Italy has risen with respect to 2011, reaching 10.30 ‰, that is, 10, 30 deaths per thousand inhabitants.

- Birth rate in **Portugal** was 8.50 ‰ in 2012 and the fertility rate 1.28.

The mortality rate in 2012 in Portugal has risen with respect to 2011, reaching 10.20 ‰, that is, 10, 20 deaths per thousand inhabitants.

Source: <http://www.datosmacro.com/demografia/natalidad>

Source: <http://www.datosmacro.com/demografia/mortalidad>

For Domótica DaVinci it is important to know what are the trends in terms of age, that is, the number of young people and the number of old people residing in a country, because the demand for products may vary due to the fact each home must respond to different needs. For example, in households where old people live, security products are the most popular while in households where young people live communication products with the outside are the bestsellers.

Furthermore the increase or decrease of the population can also be an important factor since increasing the residents of a country can increase the demand for housing and as a result, the probability of profit to the company also increases.

The Economic Environment

- The CPI annual variation rate in **Spain** in February 2014 has been 0%, 2 tenths less than the previous month. There hasn't been CPI monthly variation, so that the cumulative inflation in 2014 is 1.4%.
- The CPI annual variation rate in **Italy** in February 2014 has been 0, 5%, 2 tenths less than the previous month. The monthly variation in the CPI (Consumer Price Index) has been -0, 1%, so that the cumulative inflation in 2014 is 0, 1%.

- The CPI annual variation rate in **Portugal** in March 2014 has been -0, 4%, 3 tenths less than the previous month. The monthly variation in the CPI (Consumer Price Index) has been 1, 4%, so that the cumulative inflation in 2014 is -0, 3%.

Source: <http://www.datosmacro.com/ipc-paises>

- The GDP (Gross Domestic Product) in **Spain** in 2013 has fallen 1.2% over the previous year. This rate is 4 tenths higher with respect to that published in 2012, which was -1.6%.

The GDP figure in 2013 was 1,022,988 M. €, so Spain's economy is at number 13 in the ranking of 181 countries for which we publish the GDP. The absolute value of GDP in Spain grew 6,014 M. € compared to 2012.

- The GDP in **Italy** in 2013 has fallen 1.9% over the previous year. This rate is 5 tenths higher with respect to that published in 2012, which was -2.4%.

The GDP figure in 2013 was 1.560.024 M. €, so Italy's economy is at number 9 in the ranking of 181 countries for which we publish the GDP. The absolute value of GDP in Italy grew 6.888 M. € compared to 2012.

- The GDP in **Portugal** in 2013 has fallen 1.4% over the previous year. This rate is 18 tenths higher with respect to that published in 2012, which was -3.2%.

The GDP figure in 2013 was 165.666 M. €, so Portugal's economy is at number 47 in the ranking of 181 countries for which we publish the GDP. The absolute value of GDP in Italy dropped 558 M. € compared to 2012.

Source: <http://www.datosmacro.com/pib>

Source: <http://www.datosmacro.com/paro>

Domótica DaVinci, as a result of the crisis, has seen the slowdown in construction and has been a drawback in the development and implementation of home technology, especially in Spain⁴. But, despite this, the economic crisis has enhanced energy savings in households. This energy saving is the first reason to implement measures that reduce energy consumption, and one of them is adding home automation (thanks to automation it is

⁴ In the appendix we can see three graphs about unemployment rate

possible to save between 800 and 900 Euros in the annual bill, so it is profitable in the long term).

Home automation searches for business especially in used housing due to the crisis, because this type of housing increased from 15% to 36% in six years.

But also home automation in new housing is increasing because in 2004 there were 4% and now it is above 8%.

Domótica DaVinci has also seen how this crisis has affected the celebration of certain fairs, such as the cancellation of the fair *Net Athom* (the international reference of home automation) that happened in 2008. Or the postponement of *SIMO*, the International fair of Computing, Multimedia and Communication (Madrid, provided from 11 to 16 November 2008), due to lack of exhibitors.

The Technological Environment:

The average investment in R & D of automation systems' manufacturers is 5%. In the last three years this figure has remained, however, the distribution in the investment areas has changed significantly.

Currently investment in R + D + I is mainly in solutions for energy savings and comfort. Home automation industry is directly linked to technological development and has evolved considerably in recent years. There are more features for less money, more product variety and automation systems are easier to use and install. In short, the offer is better and with a higher quality.

New technologies are constantly appearing in order to improve products. They have to move forward and change tastes of consumers who are increasingly "strict" due to the fast progress of them.

Therefore, home automation is progressing each year and attracting more and more consumers who are looking to increase their quality of life getting also technology in their homes.

For the moment, the average order in Domótica DaVinci is between 300 and 400 Euros.

The Cultural Environment

There has been a huge change and almost all differences are between traditional and modern culture. Within everything related to the culture of today, I will focus on the digital society: we can say that technologies are molded to everyday life and people are molded to everything these technologies provide them. They have become inseparable, something unthinkable in traditional culture.

One of the characteristics of today's culture is that society has become much more laid-back and this favors the home automation sector. The dependence that people have with technologies makes them look for comfort in these technologies and allows improving their quality of life. Currently, home automation is not widespread due to the lack of information and the low awareness that society has of it.

But, because of technological and cultural changes that we are having, home automation is the future of homes and workplaces. Who would have thought ten years ago that today there would be smart homes?

The Environmental Environment

Prospects for future developments indicate that we will reach not only a digital home but also a digital environment, that is, an environment in which people interact in a transparent way with each other with connected devices and Internet. Thus, the goal of home technologies is to enable that the facilities they offer are integrated in our daily life and make it more comfortable.

Due to this change and to the fact that the company always respects the environment when incorporating these technologies, we can say it has a future.

1.2.2. Market analysis

Reference market

In order to achieve this goal I'm going to describe three dimensions: the basic service that the product offers (<< what >>), different groups of customers interested in the product (<< who >>) and the existing technologies to respond to this basic functions (<< how >>).

- **Basic functions:** In this section I will explain the basic needs that home automation must answer for all kind of consumers. The main ones are comfort, communication, security and energy saving, always adapting to every lifestyle and tastes of each person.

Comfort: The current quality of life is far superior in comparison to a couple of generations ago. Installing home automation and to manage them remotely provides comfort levels previously unknown. Thanks to home automation systems the user does not need to invest time and energy in making mechanical actions and everyday issues and worry about aspects that the systems solve automatically. Programming risk; temperature control; personalized people care or remote control and distance are a small sample of the many possibilities that home automation improves comfort.

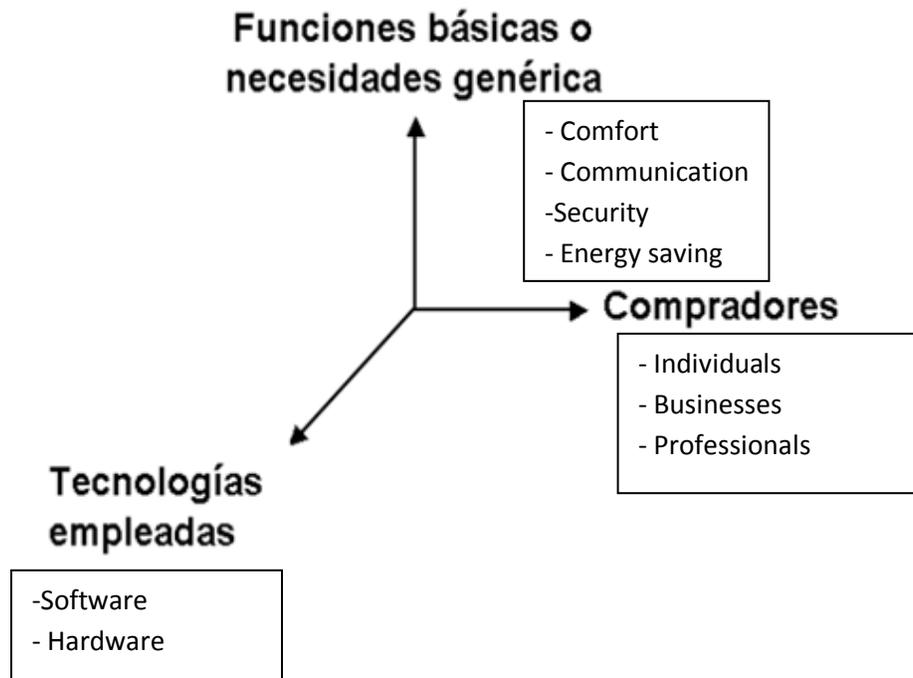
Communication: Through a proper communication system integrated with an automation system it is possible to establish communications inside the building, from inside to outside and vice versa. For example, it could distribute images and sounds inside the building; manage the system internally via remote control; send alarms and signals to the outside; perform a remote control system via telephone, mobile phone, PDA, Internet, etc..

Security: To ensure the safety of people and buildings, a home automation system can provide mechanisms such as intruder detection; presence simulation; connection to central alarm; alarms health or medical alerts; technical alarms: fire, water or gas leaks; access control, etc...

Energy saving: More and more electrical devices are incorporated into the housing, so energy consumption can be important. Through an automation system it is possible to implement mechanisms that regulate and optimize energy consumption, such as climate control and temperature control by zones; the use of electrical appliances in nightly prices; lighting by presence detection; automatic disconnection of devices, etc...

Source: (deInformática)

- **Groups of customers:** Or what is the same, the market segmentation analysis made by the company. People who use these technologies can be from different geographical locations, with different needs, different economic levels ... that is, buyers with similarities in certain aspects.
The groups of buyers are individuals, businesses and professionals.
- **Technology:** In order to satisfy needs of each group of buyers, Domótica DaVinci uses different technologies such as Software, Hardware...



Market segmentation

We can find demographic, geographic, economic and psychographic segmentation, plus segmentation made by the company itself (individuals, businesses and particulars). This is done in order to develop marketing strategies that best fit the target segment.

Demographic segmentation: the market can be divided according to age, sex ... because depending on these factors the type of product they offer can vary. For example, among older people with some difficulties, there is greater demand for lifting equipment than among young people who have just bought a home.

Geographic segmentation: individuals in each area have similar needs, attitudes and behaviors. Within Europe the company has stores in Spain, Portugal, Italy and Slovenia. Spain and Italy are the countries with more sales (90%). Depending on each country certain functions are performed to attract consumers such as Google Adwords in Spain and Italy. Moreover, they have another four stores in Latin America: in Dominican Republic, Ecuador, Colombia and Chile. The biggest difference with Europe is that there are less online sales in these countries, so for this market segment they have to use different strategies.

Therefore, for doing strategies they have to take into account different points such as culture, geographical area...

Economic segmentation: consumer needs vary according to their income. So the market can be segmented according to the quantity they are willing to spend. As we can see in “Z-Wave España” store, products are offered with a variety of prices. You can choose from the most basic products to control the house, to the most expensive packs because more services are included.

Psychographic segmentation: the market can be segmented according to lifestyle, social class, personality ...Different products and packs are available according to consumer taste. One of the strengths that Domótica DaVinci has, is that the customer has the opportunity to tell the company what he/she needs and the company provides all the information and products that best suit his/her lifestyle.

But more specifically, Domótica DaVinci leads to three types of segments:

- **Individuals:** As I described before, they are always middle and upper class people; most of them are professionals (graduates), or without a high education but belonging to the construction and electricity sector; and housing are specially apartments or family houses.
- **Businesses:** Some of them are very big (such as Simón, Indra and Endesa) and others are engineering, development companies, and medium/small installers
- **Professionals**

The buyer decision process

Pre- purchase stage:

- *Need Recognition:* This is the first stage, in which the consumer recognizes the need to make their home safer, more comfortable and improve their quality of life through home automation systems and, of course, always respecting the environment. This need can either come from disability reasons, safety in children or just to have a more comfortable life.
- *Information Search:* In the case of Domótica DaVinci, they offer their web page and Z-Wave stores where buyers can have all information about their products, brands and prices. Another way to obtain information is through word of mouth that happens when people around us already have home automation.

- *Evaluation of Alternatives:* When selecting a product, the following criteria vary by consumer preferences, that is, many of them are based on the price criterion, others in quality, and others on welfare... according to the amount of technological facilities they want in their homes. Moreover, they can focus on different factors when evaluating alternatives, as external factors, depending on their environment, culture, reference groups, family ... or internal factors such as lifestyle, personality, attitudes ... These factors influence the selection.
- *Choice of product:* Here is when their customer decides for the best alternative that best fits with his/her needs and Domótica Davinci is responsible for doing the projects in order to satisfy as much as possible the client.

Purchase stage:

- *Choice of store:* The store that the company offers is, as I said before, online. Spanish, Portuguese and Italians can use z-wave stores in all three languages.

Post-purchase stage:

- Here is when the company can see if the client is satisfied or not. Every company wants to get the loyalty of its customers and in this case, Domótica DaVinci, has ensured that more than half of them repeat due to their satisfaction. Furthermore, each month they have a slight increase in the number of consumers. Thanks to these loyal customers, the enterprise can have less costs, more profits, better communication sources and ideas, more satisfaction of employees...

The maintenance and after-sales service that this company does, also makes customers feel safer when buying in their stores.

Sales turnover analysis

Right now all depends on Z-Wave on-line stores. In 2012 they sold 100.000 Euros around the world (mainly Spain and Italy). In 2013, 250.000 Euros more or less and in 2014 they will perhaps reach half a million Euros sold (at the end of the first quarter they put in projection 400,000 Euros, when in December they closed with 250,000 €).

1.2.3. Competition analysis

- The most important competition for the company in **Spain** is:

- **Domoticashop.es:** Since 1995, is an online shop for Spain of Z-Wave home automation products and is the trademark that represents the company “Sistemas de automatización de viviendas y edificios SL de Palma de Mallorca”. As Domótica daVinci, it offers the best products and services for energy savings, comfort, and safety for housing, at the same prices.
- **Zwavespain.com:** “is a store with wireless home automation products and other technology related for the home. We are committed to offer the best products, best prices and best service. So we’ve made available our customer service which will solve your doubts and expand the information you need. To this end, we commit to update the products. Services and content every day. Zwavespain is a trademark of the company Serplamar Gestión, S.L.”⁵
- **Domoticalia.es:** “the on-line shop for home automation devices that let you control the lighting, temperature, presence, consumption ...

We offer multi-manufacturer and multi technology that work well together, to increase the comfort and security of your home products”.⁶

Furthermore, in the site www.fibaro.com/en/where-to-buy, we can see other stores that sell the same products as Domótica DaVinci by countries, but I’m only going to focus on Italy and Portugal:

➤ In **Italy:**

- **sistemidiantifurto.com**
- **e-zwave.it**

➤ In **Portugal:**

- **eurox10.com:** it is the largest European website dedicated to home automation and an active component of the distribution of CentralCasa Company, which began in 2002. Its goals are developing and commercializing home automation products and services. The company is structured into four areas of intervention: Distribution, R & D,

⁵ Source: Zwavespain.com

⁶ Source: Domoticalia.es

Project and Training. Their Z-Wave home automation products have the same prices as Domótica DaVinci but less variety.

Domótica's daVinci competitive advantages are: Their experience in premises and training (they started in 2008); they have been one of the first to market Z-Wave products in the Southern Europe and Latin America; and their international ambition.

1.2.4. SWOT analysis

After making both internal and external analysis of the company, I am able to do the so called SWOT. In the internal analysis we can find the Strengths (positive) and Weaknesses (negative) and in the external analysis Opportunities (positive) and Threats (negative).

Strengths: Internal capabilities that may help the company reach its objectives.

- We have seen that sales increased in 2012 compared to 2011 and is currently following this growth process.
- They are specialist and with a wide experience (since 2008)
- The customers of the company have the possibility of adapting products with their lifestyles. They have all the information that best fits with every consumer needs.
- Their main functions are comfort, communication, security and energy saving. These may result very attractive for housing.
- Domótica daVinci offers products that eliminate architectural barriers for those with certain disabilities.
- The company is expanding such products to the education sector, so that might appeal to more people.

Weaknesses: Internal limitations that may interfere with the company's ability to achieve its objectives.

- Stores don't have a physical location. It could happen that many people don't trust it because everything is online.
- The number of projects they can do is limited because they don't have enough resources.

- The income statement of the company was negative in 2011 and 2012 (as we can see in the previous balance sheet). This negativity reduces the wealth of the owners of the company.
- Market share is still low.

Opportunities: External factors that the company may be able to exploit to its advantages.

- The energy savings produced by this technology can benefit the environment. The company always maintains environmental sustainability.
- Many people are interested in technologies.
- Their expansion in Latin America.
- Nowadays society is increasingly using the Internet. Thanks to this, the company can be benefited because their stores are on-line and everything works through the internet.
- The culture has changed and we have become much more comfortable. Because of this, people may decide to have a digital housing, which benefits the company
- This sector is becoming stronger.

Threats: Current and emerging external factors that may challenge the company's performance.

- The economic crisis affects the construction sector and therefore the automation.
- Home automation products don't have a good image yet. People think that these technologies are very expensive and they are not informed about them. Its position in the consumers' mind isn't important and essential.
- The competition
- It is believed that they are very far from accomplishing a recognizable global brand because of the dimension the company has.

2. SETTING GOALS

Given the internal and external analysis of the company, this step consists in determining marketing goals.

In the SWOT analysis we have seen the strongest and weakest aspects of this company, so I will try to pay attention to them in order to get more and more benefits in a short and long term future.

These objectives have been divided into economic and non-economic:

ECONOMIC GOALS	NON-ECONOMIC GOALS
<ul style="list-style-type: none"> - In 2013 they've sold 250.000€ and they expected to sell 500.000€ for 31/12/2014. These sales were sold mainly in Spain and Italy. - Increase the market share: from 1000 customers that they have in Europe till 1700 for the next year. 	<ul style="list-style-type: none"> - Increase awareness of the company and its attraction to consumers. - Achieve that at least 80% of the customers are satisfied after the purchase at the end of next year (31/12/2015).

Chart 2: Economic and non-economic goals. Made by hand

For the company the main objective is the sales growth, rather than customers' loyalty.

I'm going to do a little explanation about each of them:

- The first and most important goal is to increase sales. This is possible to achieve because for example, from 2011 to 2012, sales increased 150.000€, so they want to arrive to half million Euros for the close of this year.
- Increasing the market share is not considered a difficult goal because the company is also located in other countries. I'm focusing this marketing plan on Spain, but in Italy and Portugal they receive also most of the orders, so they have the advantage of attracting more customers and finding them not only in Spain but also in Italy and Portugal.
- The company communicates through the Internet: it has social networks and Google Adwords in the case of Spain and Portugal. But, it would be appropriate to increase the

awareness of the company by for example, investing in advertising. I will explain this in the strategies part.

- As I said before, many customers repeat because of their satisfaction, but their intention is to accomplish at least 80% at the end of the year.

3. SELECTING STRATEGIES

3.1. Product/market expansion grid. Strategies for growth

With the Ansoff Matrix, a portfolio- planning tool for identifying the company growth opportunities through market penetration, market development, product development and diversification, I'm going to determine which of them will be the most appropriate for the purposes previously explained:

	Existing Products	New Products
Existing Markets	MARKET PENETRATION	PRODUCT DEVELOPMENT
New Markets	MARKET DEVELOPMENT	DIVERSIFICATION

Chart 3: Growth strategies. Made by hand

With respect to the goal of increasing sales to 500.000€ for the next 31/12/2014, it is necessary to follow the **market penetration** strategy. It consists on increase sales of current products to current market segments without changing the product.

With respect to the other goals, it is better not to follow any of the other strategies for growth. I will try to achieve them by doing some actions that I will explain in the next section.

3.2. Segmentation strategy

As we have seen before, the market segmentation that the company does, that is, its group of customers is: Final customers (individuals), businesses and professionals. But,

although they can use all products for different functions, Z-Wave stores are unchanged for the three of them. This means that all products and distribution are going to be the same for the three types of segments. But with respect to prices, it can be a bit different: they are not the same for a final customer as for a professional. For professionals and installers, Domótica DaVinci does a 10% discount with the first order and then a 15% with the following.

So, because of this, it will take a **differentiated strategy**.

3.3. Positioning strategy

Domótica daVinci wants that everyone in their mind to identify home automation with comfort, security and energy saving at home and at work.

They want to build a recognizable global brand but they are very far from this because, as I said before, they need a higher dimension of the company and they don't have enough clients and projects management process. The company wants to reach the same position in the three segments, but they are aware that they are very far from this.

For the moment they need to continue with their high experience in premises and training and with their international expansion always giving an image of confidence and providing an improvement in their quality of life.

3.4. Functional strategy

Product decisions: I'm not going to modify it. Product decisions must be done by manufacturers adapting each product on new technologies that are always in advancing progress.

Price decisions: In the stores we can see all promotions that manufacturers do:

The screenshot shows a grid of promotional products under the heading 'Promociones'. Each product is displayed with an image, a price tag in a gold circle, a star rating, and a 'Comprar' (Buy) button. Below each product are links for '+ Lista de Deseos' (Add to Wishlist) and '+ Compararr' (Compare).

Product Name	Price	Rating
Home Center 2	€ 599.00	★★★★★
SQ Blaster Plus	€ 199.00	★★★★★
Cámara IP fija de interior negra	€ 59.00	★★★★★
Minimando AeonLabs Blanco	€ 64.13	★★★★★
Curso de Introducción a la...	€ 59.90	
Mando de llavero con 4 botones Aeon Labs	€ 58.08	
Cerradura con manilla y teclado	€ 264.99	
Control Infrarrojos nativo Z-Wave	€ 95.59	



And also the company does other ones such as the volume discount, that is, the company offers discounts the greater the volume of the customer's purchase, and others discounts for professionals and installers.

I would like to propose that customers (after their first purchase) can have the possibility to obtain a discount voucher for the next purchase (I will add it in the action plans). But, it's true that home automation clearly improves our quality of life, so those consumers who want more comfort in their lives, will be willing to pay the price given. It is considered that all prices are affordable.

Place decisions: I've decided not to modify it. For the moment with the distribution system they have, they are increasing sales. In a future we could plan to build physical stores, but for the moment is better not to do it because the company doesn't have enough resources.

Promotional decisions: With communication we need to inform, persuade and remind customers. The target market, as I've already mentioned, are individuals, businesses and professionals.

As we have seen in the internal analysis, until March, Domótica DaVinci has a person in charge of all communication via Internet: Facebook, Twitter, LinkedIn group...

In the following table we are going to see that the three segments receive the same message through the same media.

In order to become better known, they should invest in advertising. After, in the action plans, we will see how they can promote them.

Target market	Communication objectives	Message	Media
---------------	--------------------------	---------	-------

Individuals	<ul style="list-style-type: none"> ▪ Attract new customers. ▪ Increase sales. ▪ Increase awareness 	<ul style="list-style-type: none"> ▪ Better quality of life. ▪ Adaptation of products according to taste. ▪ Affordable prices 	<ul style="list-style-type: none"> ▪ Webpage ▪ Online stores ▪ Social networks ▪ Radio ▪ Newspapers
Businesses	<ul style="list-style-type: none"> ▪ Attract new customers. ▪ Increase sales. ▪ Increase awareness 	<ul style="list-style-type: none"> ▪ Better quality of life. ▪ Adaptation of products according to taste. ▪ Affordable prices 	<ul style="list-style-type: none"> ▪ Webpage ▪ Online stores ▪ Social networks ▪ Radio ▪ Newspapers
Professionals	<ul style="list-style-type: none"> ▪ Attract new customers. ▪ Increase sales. ▪ Increase awareness 	<ul style="list-style-type: none"> ▪ Better quality of life. ▪ Adaptation of products according to taste. ▪ Affordable prices 	<ul style="list-style-type: none"> ▪ Webpage ▪ Online stores ▪ Social networks ▪ Radio ▪ Newspapers

Chart 4: Promotional decisions. Made by hand

4. ACTION PLANS

4.1. Planning of marketing activities

OBJECTIVES	TARGET MARKET	PRODUCT	ACTIONS
They expect to sell 500.000€ for 31/12/2014	<ul style="list-style-type: none"> - Individuals - Businesses -Professionals 	<ul style="list-style-type: none"> - Home and building automation products with Z-Wave technology. 	<p><i>Market penetration so:</i></p> <ul style="list-style-type: none"> - Invest at least 15% of their profits in advertising: In 3 daily commercial breaks at La Onda Cero Radio, and in 1 insertion during three week days, every two

			<p>weeks. In El País, National Edition.</p> <ul style="list-style-type: none"> - Hire a professional in charge of all communication - Informational messages sent by email.
<p>Increase the market share: from 1000 customers that they have in Europe till 1700 for the next year.</p>	<ul style="list-style-type: none"> - Individuals - Businesses -Professionals 	<ul style="list-style-type: none"> - Home and building automation products with Z-Wave technology. 	<ul style="list-style-type: none"> - Also increase market share with advertising (15% of total profits): same actions in the radio and newspapers as the previous objective (3 commercial breaks and 3 insertions per week)
<p>Increase awareness of the company and its attraction to consumers</p>	<ul style="list-style-type: none"> - Individuals - Businesses -Professionals 		<ul style="list-style-type: none"> - Invest at least 15% of their profits in advertising. Radio and newspapers, as the previous objectives. - Hire a professional in charge of all communication to become more known: he can renew Facebook, Twitter... - Informational messages send by email - Form a partnership with more recognizable companies (to associate them)
<p>At least 80% of the customers are satisfied after the purchase.</p>	<ul style="list-style-type: none"> - Individuals - Businesses -Professionals 		<ul style="list-style-type: none"> - Buyers can make surveys via internet. - The possibility to obtain a 10% discount voucher for the next purchase after the first one.

Chart 5: Action plans. Made by hand

Election of the person in charge of each action**Action 1: Hire a professional in charge of all communication**

Before March, Alfonso Eguino was the technological consultant and the person in charge of development and online marketing.

In order to put into practice some of the other actions, they really need to hire a person with a high technological and online marketing knowledge (almost expert) because at the moment, everything in this company is via internet (stores, webpage, social networks...).

This is not an easy task, but they need it for September. Thanks to the work this person will do, they may become more known and therefore increase sales. Because the truth is that marketing is used to attract people.

Starting day for the selection process: 1-06-2014

Ending day for the selection process: 1-09-2014

Time the employee will stay: unlimited

Target market: Anyone whose passion is Online Marketing.

Person in charge: Both José Miguel Rubio Varas and Miriam Suarez.

Budget: 1700 Euros each month.

Action 2: Advertising in newspaper

Taking into account the quantity of resources the company has, it is very expensive to start advertising with TV ads. The newspaper is a conventional medium and it may be read by many people, so I decided starting by 1 insertion in black and white during three daily days every two weeks (one on Mondays, one on Tuesdays and one on Thursdays, for example), in El País, National Edition.

Some advantages of the newspaper are: it has high coverage; low-cost; it is a medium for promotions; it has different sections...

In order to attract attention with the advert, it must include the idea that: customers would have a better quality of live (more comfort and security) and they can find affordable prices.

The heading of the ad is very important and it could be a good idea to put an image that represents comfort. We must ensure that the target audience memorizes the message and tempts them to buy.

Thanks to advertising they may increase sales, attract more customers and increase the awareness of the company.

Starting day: 15-06-2014

Ending day: 31-12-2014 (so 13 weeks)

Target market: All consumers of El País.

Person in charge:

- *The design of the advert* → the new person the company is going to hire in charge of communication via internet.
- *The publication* → El País. National Edition.

Budget: 810€ each insertion.

Source: (Mi Aulario)

Action 3: Advertising on the radio

The radio is also a conventional medium, so with the advert they can achieve increased sales, attract more customers and increase awareness of the company. The idea is to invest in 3 day time commercial breaks: on Mondays, Wednesdays and Thursdays (from 14:00h-15:00h) in radio La Onda Cero.

Some advantages of the radio are that: it has a local coverage; low-cost; low production cost; well segmented audience; flexible; high frequency...

In order to attract attention with the advert, it must include the idea that: customers would have a better quality of live (more comfort and security), they can find affordable prices and that they can adapt products according to their taste. In the case of the radio, they may also include the web page of the company, so that the public can be more informed.

The sound for the commercial breaks is very important and the voice of the advertiser.

Starting day: 15-08-2014

Ending day: 1-12-2014 (so 14 weeks)

Target market: Everyone who listen to La Onda Cero.

Person in charge:

- *The design of the advert* → the new person the company is going to hire in charge of communication via internet.
- *The publication:* La Onda radio.

Budget: 2060Euros each commercial break.

Action 4: Informational messages send by e-mail

In order to increase the awareness of the company and sales, they can send informational messages once a person enters in their website (but with the consent of him/her). It could be as booklets given by public relations (PR) but via Internet. In this way we can persuade consumers.

With these informational messages (that could be as online publicity) they can obtain direct answers.

Starting day: 1-09-2014

Ending day: xxx

Target market: Everyone who enters in the webpage and wants to receive informational messages.

Person in Charge:

- *The type of the format and sending e-mail:* Miriam Suarez (Sales manager).

Budget: 0Euros

Action 5: Form a partnership with more recognizable companies (to associate them)

As I've mentioned before, Domótica DaVinci wants to accomplish a recognizable global brand around digital life experience (the positioning they want to achieve). But it is believed that they are very far from something like this.

That's why they want to form a partnership with other companies that have these characteristics and, with that, become better known.

Starting day: 1-06-2014

Ending day: 31-12-2015

Target market: Recognizable businesses of this sector.

Person in charge: José Miguel Rubio and Miriam Suarez

Budget: ¿¿¿?? (It depends)

Action 6: Market surveys

This action would be good for knowing if they have at least 80% of customers satisfied. This survey will be without written questions but with different options to answer, therefore, consumers do it with less laziness and the company can obtain more results.

Starting date: 1-06-2014

Ending date: 31-12-2015

Target Market: All consumers

Person in charge: Miriam Suarez

Budget: 0Euros

This market survey is the following:

SURVEY

- 0. Have you been recommended by someone to buy in Domótica DaVinci?
 - Yes
 - No

- 1. How satisfied are you with your home automation products and services?
 - Not at all satisfied
 - Somewhat Satisfied
 - Satisfied
 - Very Satisfied

- 2. If you contacted with the company after the purchase because of some problems, have you been satisfied with the resolution of your problem?
 - Yes
 - No

- 3. Based on your experience with Domótica DaVinci’s home automation products, would you buy again?
 - Definitely yes
 - Probably yes
 - Probably not
 - Definitely not

- 4. Would you recommend this product to your family or friends?
 - Definitely yes
 - Probably yes
 - Probably not
 - Definitely not

- 5. Rate the following attributes of the company (being 1 poor and 10 excellent)

	1	2	3	4	5	6	7	8	9	10
After purchase service	<input type="radio"/>	<input type="radio"/>								
Quality of service	<input type="radio"/>	<input type="radio"/>								
Faces customers' satisfaction	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>							
Experience and professionalism	<input type="radio"/>	<input type="radio"/>								
Quality-price relation	<input type="radio"/>	<input type="radio"/>								

Action 7: Obtain a 10% discount voucher

In order to obtain at least 80% of their customers satisfied at the end of 2015, a good way would be to have the possibility of obtaining a 10% discount voucher for the next purchase after the first one. This voucher will be valid for two years after the first purchase, but it is only possible to obtain it with purchases ranging between 1-07-2014 and 1-07-2015 (a promotion of one year). The company will send the voucher by e-mail. They will put an advertisement in their web page starting in 1-07-2014. Clearly:

Starting date of the voucher delivery: 1-07-2014

Ending date of the voucher delivery: 1-07-2015 (so 12 months)

Validation of the discount voucher: 2 years

Target market: Individuals, Businesses and Particulars

Person in charge: the new person the company is going to hire in charge of communication via internet.

Budget: 100Euros per month

Schedule of actions

Actions	2014							2015												
	VI	VII	VIII	IX	X	XI	XII	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Hire a professional in communication	→																			
Newspaper advertising	→																			
Radio advertising			→																	
Informational messages			→																	
Form a partnership	→																			

Make surveys	→															
Discount voucher	→															

Chart 6: Schedule of actions. Made by hand

4.2. Total budget

Until the date 31-12-2015 the total budget is the following:

Action 1: 1700×16 (because the new employee is going to start on September 2014) = **27200Euros**

Action 2: $810 \times 3 = 2430$ one week. So, $2430 \times 13 = \mathbf{31590}$ Euros 13 weeks.

Action3: $2060 \times 3 = 6180$ one week. So, $6180 \times 14 = \mathbf{86520}$ Euros 14 weeks.

Action4: **0Euros**

Action5: ¿¿¿???

Action6: **0Euros**

Action7: $100 \times 12 = \mathbf{1200Euros}$

Total income: in 2014 they are going to obtain **500.000Euros**

Total Budget: **146,510 Euros + fixed costs**

Fixed cost= $70,980$ (staff costs) + $38,161$ (operating expense) + $70,572$ (supplies)

TOTAL PROFIT: $500,000 - 326,223 = \mathbf{173,777€}$

5. IMPLEMENTATION

The settings up of the objectives aren't difficult and aren't impossible to reach. We can also see that budget is affordable and in comparison with our total income, at the end of 2015 it is possible to reach 173,777€ of profit.

The company may start the implementation of the actions in June of this year and they have until the end of 2015 to try to accomplish all of them. It is believed that they have enough time to succeed.

6. CONTROL

The co-founders of the company (José Miguel Rubio and Miriam Suarez) are going to carry out the control.

They will control every action with a computer program where they are going to be able to see the results. They will open an excel where they will write down each sale, each new customer and each positive answer of the survey. Every two months they will count the results and take conclusions.

In case of predicting a negative fulfillment; they will organize a meeting, just to see how the increase in sales, the increase in clients, the awareness of the company and the satisfaction of the clients are going on. Then they will talk about mistakes made in the implementation, and will try to suggest new actions in order to fulfill.

It's very important that Domótica DaVinci continues keeping their staff motivation and their hope to get what they want to be.

7. CONCLUSIONS

After doing the entire marketing plan of Domótica daVinci, we can conclude that founders have had much merit for starting this business in the middle of the crisis and, although it is not yet a company with great success, it is in process of growth.

In both internal and external analysis we have seen some advantages than can stabilize disadvantages but they still have much to advance. The company has a lot of experience (since 2008), it has been one of the first to market Z-Wave products in the Southern Europe and Latin America in only few years, and this international ambition is a strong advantage. But, as we have seen, they still have a low market share and needs more customers and sales in order to become more profitable.

I've decided to set those strategies and actions to help them to create a stronger image of the company and to get more profits by increasing sales (this is the most important objective they have). Those actions are seven: Hire a professional in communication, newspaper advertising, radio advertising, informational messages via internet, form a partnership, make surveys, and discount voucher.

I've proposed to start implementing those actions in June and they have until next December 2005 to accomplish them. After, every two months they will take control of results.

I hope that this company has a future success and come up where it deserves to reach.

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9. APPENDIX

Balance sheet (SOURCE: SABI). Years: 2011 and 2012

ASSETS

Balance/Estado de resultados			
Cuentas No Consolidadas			
	31/12/2012	31/12/2011	
	EUR	EUR	
B	12 meses	12 meses	
	Abreviado PGC	Abreviado PGC	
	2007	2007	
Activo			
A) Activo no corriente	75.305	71.609	
I Inmovilizado intangible	8.759	8.759	
II Inmovilizado material	45.722	44.846	
III Inversiones inmobiliarias	n.d.	n.d.	
IV Inversiones en empresas del grupo y asociadas a largo plazo	n.d.	n.d.	
V Inversiones financieras a largo plazo	n.d.	403	
VI Activos por impuesto diferido	20.825	17.601	
VII Deudas comerciales no corrientes	n.d.	n.d.	
B) Activo corriente	325.254	55.511	
I Activos no corrientes mantenidos para la venta	n.d.	n.d.	
II Existencias	21.613	21.238	
III Deudores comerciales y otras cuentas a cobrar	11.190	7.089	
1. Clientes por ventas y prestaciones de servicios	11.165	7.064	
a) Clientes por ventas y prestaciones de servicios a largo plazo	n.d.	n.d.	
b) Clientes por ventas y prestaciones de servicios a corto plazo	11.165	7.064	
2. Accionistas (socios) por desembolsos exigidos	n.d.	n.d.	
3. Otros deudores	25	25	
IV Inversiones en empresas del grupo y asociadas a corto plazo	n.d.	n.d.	
V Inversiones financieras a corto plazo	161.962	5.650	
VI Periodificaciones a corto plazo	n.d.	n.d.	
VII Efectivo y otros activos líquidos equivalentes	130.490	21.534	
Total activo (A + B)	400.560	127.120	

LIABILITIES AND OWNER'S EQUITY

Pasivo			
A) Patrimonio neto	22.498	34.198	
A-1) Fondos propios	22.498	34.198	
I Capital	87.000	87.000	
1. Capital escriturado	87.000	87.000	
2. (Capital no exigido)	n.d.	n.d.	
II Prima de emisión	n.d.	n.d.	
III Reservas	n.d.	n.d.	
IV (Acciones y participaciones en patrimonio propias)	n.d.	n.d.	
V Resultados de ejercicios anteriores	-52.802	-39.200	
VI Otras aportaciones de socios	n.d.	n.d.	
VII Resultado del ejercicio	-11.700	-13.602	
VIII (Dividendo a cuenta)	n.d.	n.d.	
IX Otros instrumentos de patrimonio neto	n.d.	n.d.	
A-2) Ajustes por cambios de valor	n.d.	n.d.	
A-3) Subvenciones, donaciones y legados recibidos	n.d.	n.d.	
B) Pasivo no corriente	268.412	12.364	
I Provisiones a largo plazo	n.d.	n.d.	
II Deudas a largo plazo	268.412	12.364	
1. Deudas con entidades de crédito	268.412	12.364	
2. Acreedores por arrendamiento financiero	n.d.	n.d.	
3. Otras deudas a largo plazo	n.d.	n.d.	
III Deudas con empresas del grupo y asociadas a largo plazo	n.d.	n.d.	
IV Pasivos por impuesto diferido	n.d.	n.d.	
V Periodificaciones a largo plazo	n.d.	n.d.	
VI Acreedores comerciales no corrientes	n.d.	n.d.	
VII Deuda con características especiales a largo plazo	n.d.	n.d.	
C) Pasivo corriente	109.650	80.558	
I Pasivos vinculados con activos no corrientes mantenidos para la v	n.d.	n.d.	
II Provisiones a corto plazo	n.d.	n.d.	
III Deudas a corto plazo	n.d.	n.d.	
1. Deudas con entidades de crédito	n.d.	n.d.	
2. Acreedores por arrendamiento financiero	n.d.	n.d.	
3. Otras deudas a corto plazo	n.d.	n.d.	
IV Deudas con empresas del grupo y asociadas a corto plazo	n.d.	n.d.	
V Acreedores comerciales y otras cuentas a pagar	109.650	80.558	
1. Proveedores	2.556	2.300	
a) Proveedores a largo plazo	n.d.	n.d.	
b) Proveedores a corto plazo	2.556	2.300	
2. Otros acreedores	107.094	78.258	
VI Periodificaciones a corto plazo	n.d.	n.d.	
VII Deuda con características especiales a corto plazo	n.d.	n.d.	
Total patrimonio neto y pasivo (A + B + C)	400.560	127.120	

STATEMENT OF PROFIT AND LOSS

Cuenta de pérdidas y ganancias		
1. Importe neto de la cifra de negocios	119.636	105.146
2. Variación de existencias de productos terminados y en curso de f	n.d.	4.747
3. Trabajos realizados por la empresa para su activo	n.d.	n.d.
4. Aprovisionamientos	-70.572	-24.460
5. Otros ingresos de explotación	n.d.	n.d.
6. Gastos de personal	-70.980	-91.516
7. Otros gastos de explotación	-38.161	-34.702
8. Amortización del inmovilizado	n.d.	n.d.
9. Imputación de subvenciones de inmovilizado no financiero y otra	46.057	19.779
10. Excesos de provisiones	n.d.	n.d.
11. Deterioro y resultado por enajenaciones del inmovilizado	n.d.	n.d.
12. Diferencia negativa de combinaciones de negocio	n.d.	n.d.
13. Otros resultados	-1.236	3.049
A) Resultado de explotación (1 + 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9 + 1	-15.255	-17.957
14. Ingresos financieros	538	204
a) Imputación de subvenciones, donaciones y legados de carácter	n.d.	n.d.
b) Otros ingresos financieros	538	204
15. Gastos financieros	-206	-383
16. Variación de valor razonable en instrumentos financieros	n.d.	n.d.
17. Diferencias de cambio	n.d.	n.d.
18. Deterioro y resultado por enajenaciones de instrumentos financ	n.d.	n.d.
B) Resultado financiero (14 + 15 + 16 + 17 + 18)	332	-179
C) Resultado antes de impuestos (A + B)	-14.923	-18.136
19. Impuestos sobre beneficios	3.224	4.534
D) Resultado del ejercicio (C + 19)	-11.700	-13.602

Ratios (SOURCE: SABI). Years: 2011 and 2012

Cuentas No Consolidadas	31/12/2012 EUR	31/12/2011 EUR
☐	12 meses Abreviado PGC 2007	12 meses Abreviado PGC 2007
Ratios Informa (PGC 2007)		
Ratios de Equilibrio		
Fondo de Maniobra (€)	215,605	-25,047
Ratio de Fondo de Maniobra	0,54	-0,20
Ratio de Solidez	0,30	0,48
Periodo medio de Cobro (días)	33,67	24,27
Periodo medio de Pago (días)	363,04	490,20
Ratios de Liquidez		
Ratio de Liquidez (%)	296,63	68,91
Ratio de Liquidez Inmediata (%)	266,71	33,75

Ratios de Endeudamiento		
Ratio de Porcentaje de Endeudamiento (%)	67,01	9,73
Ratio de Coste medio de la Financiación Externa	0,00	0,03
Ratio de Cobertura del Servicio de la Deuda	-22,94	-0,91
Ratio de Cobertura de Intereses	-73,99	-46,88
Ratios Generales y de Actividad		
Ratio de Autofinanciación generada por las Ventas (%)	-9,78	-12,94
Ratio de Autofinanciación generada por los Activos (%)	-2,92	-10,70
Ratio de Punto Muerto	0,89	0,85
Ratio de Rotación de Activos	0,30	0,83
Rotación de Inventario (días)	110	313
Ratios de Resultados		
Rentabilidad Económica (ROA) (%)	-3,81	-14,13
Rentabilidad de Explotación (%)	-3,81	-14,13
Rentabilidad Financiera (ROE) (%)	-66,33	-53,03
EBIT y EBITDA		
EBIT	-15.255	-17.957
EBITDA	-15.255	-17.957

(OWN CALCULATIONS)

Liquidity ratio: Current Assets/ Current liabilities = 325254/109650=**2, 96**(2012)
=55511/80558=**0, 69** (2011)

Warranty ratio: Total Assets/ Total required= 400560/378062=**1, 05** (2012)
=127120/92922=**1, 36**(2011)

Debt ratio: Total required/ Equity = 378062/22498=**16, 80** (2012)
=92922/34198=**2, 71** (2011)

Macroenvironment analysis

UNEMPLOYMENT RATE

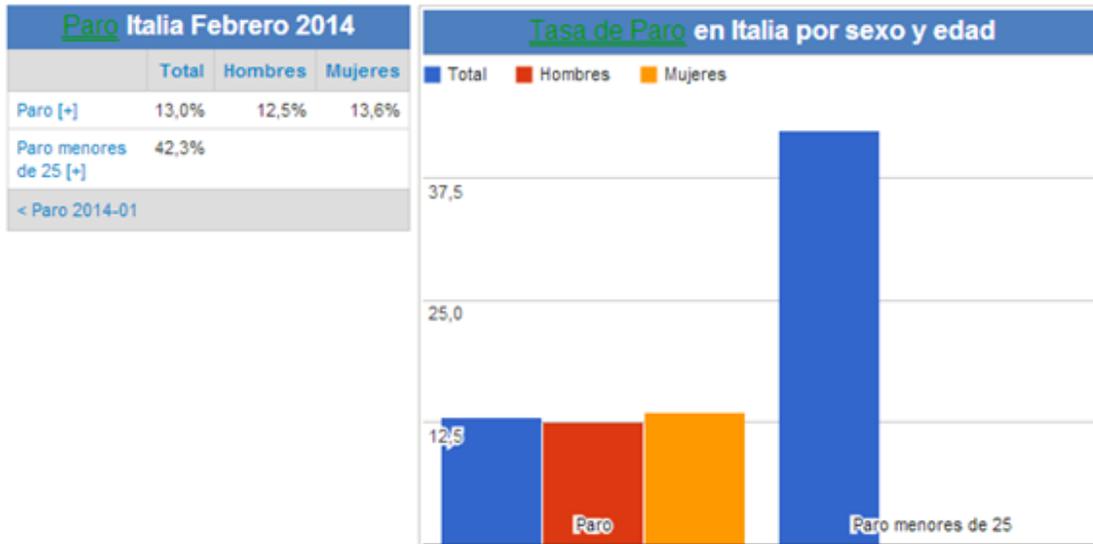


Chart 7: Unemployment Rate in Italy

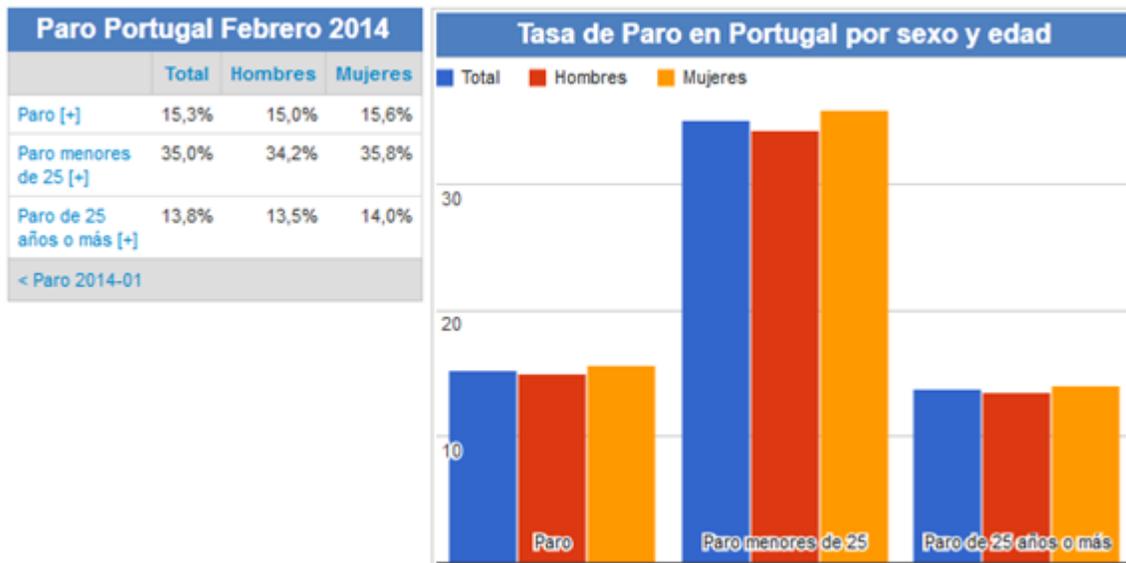


Chart 8: Unemployment rate in Portugal

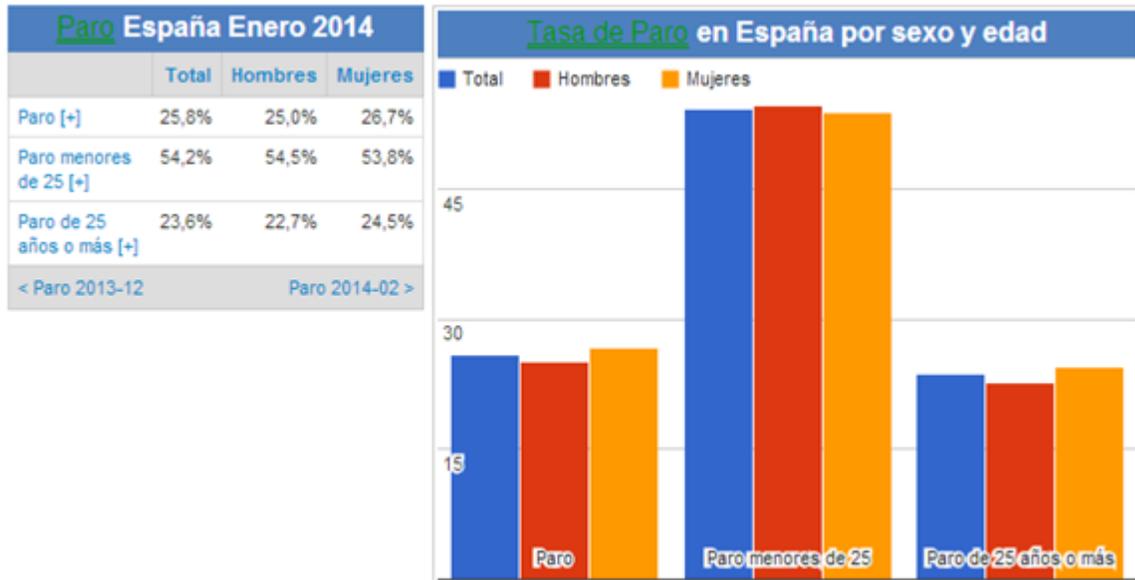


Chart 9: Unemployment Rate in Spain