



**Facultad de Ciencias Económicas y Empresariales**

**TRABAJO FIN DE GRADO**

**PROGRAMA INTERNACIONAL DEL DOBLE GRADO  
EN ADMINISTRACIÓN Y DIRECCIÓN DE EMPRESAS Y  
ECONOMÍA**

**MARKETING PLAN OF THE COMPANY  
MKM COMERCIAL S.L.**

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## **EXECUTIVE SUMMARY**

The aim of this project is the elaboration of a Marketing Plan for the company MKM Comercial S.L., a company that sells machinery and consumables for the post-printing activities in the graphic industry.

Along this paper, the internal and external analysis of MKM is done in order to have the most useful information to propose suitable actions for the company. With all the information gathered, a SWOT analysis is developed, which shows its main strengths and weaknesses and its main opportunities and threats.

Afterwards, taking into account the conclusions obtained from the SWOT analysis, three objectives considered achievable in one year have been set: achieve a total sales level of 1,911,247€, which is a 15% higher than the latest available data, maintain MKM's customer satisfaction by a 90% and increase knowledge about MKM by an increase of a 50% of the visits to its webpage and social network interactions.

Then, having these objectives in mind, the portfolio, segmentation, positioning and functional strategies have been chosen. Finally, six actions to be done have been set (organizing showrooms, sending monthly newsletters, increasing presence in social networks, developing a Google AdWords campaign, hiring a new marketing assistant and sending customer questionnaires).

After that, an estimation of the budget is offered, showing that with a low marketing budget, great actions can be done and affect positively to the company. And finally, some control mechanisms are proposed such as Google Analytics, control tools that Google AdWords has itself, sending questionnaires to the customer database and analysing different parameters such as the sales level or the number of connections in social networks before, during and after the Marketing Plan, in order to measure if the Marketing Plan has allowed the company to achieve the proposed objectives.

**KEY WORDS:** Marketing Plan, MKM, Graphic Industry, Marketing Strategies

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## **1. INTRODUCTION**

This paper has the objective of developing a Marketing Plan for the company MKM Comercial S.L., which is a company that sells post-printing machinery and consumables for the graphic arts and printing industry and manufactures spiral bindings.

The reason why I have decided to do a Marketing Plan as my final project is because according to Sanchez (2007), “90% of the Spanish companies lack a serious planning process. This explains, in part, our particular position in the competitiveness rankings and professional development.” Thus, I consider that a Marketing Plan is a useful tool that can help companies to analyze their advantages and opportunities and to set goals that will help them to grow and increase their competitiveness.

More concretely, I have selected this firm because apart from having the opportunity of obtaining useful information from inside the company, I consider that it would be interesting to develop a Marketing Plan that can empower them in the graphic industry, an industry that has been damaged by the financial crisis and is nowadays threatened by the emergence of digitalization.

## **2. ANALYSIS AND DIAGNOSIS OF THE SITUATION**

### **2.1. Internal situation analysis**

#### *2.1.1. Company analysis*

##### -History and description

MKM Comercial S.L. is a company founded in 1987 by three partners who were working as sales agents of office products (paper, notebooks, pens...) for the company “Papelería Séneca” and they saw a business opportunity. When they visited their clients, they were asked about machines for all the related post-printing activities such as machines for binding or cutting paper. As a consequence, they saw the possibility of founding their own company and start commercialising all those products. Since 1990 it has a unique owner.

They were first located in a small shop in Iturrama neighbourhood but since 2001, it is located in a local in Talluntxe Industrial Area, in Noáin, Navarra.

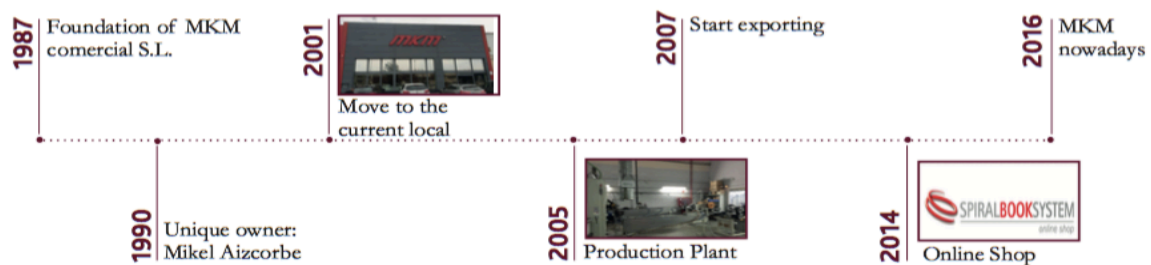
During the first 18 years, they bought all the products (machines and consumables) to suppliers but since 2005, they have a small production plant also located in Noáin, where they produce a small part of the consumables they sell. Besides, they have two warehouses,

one located next to the production plant in Navarra and another one in Madrid, in order to make it easier the distribution of their products all around Spain.

Due to the Spanish economic crisis, these last years they have been looking for new markets and new ways of selling their products. This is why in 2007, they started exporting and in 2014 they opened an online shop.

Nowadays, MKM defines itself in its web as a “firm specialized in the importing, selling and servicing of binding and post press machinery” and describes its activity as “selling machinery for graphic arts and digital solutions and manufacturing of spiral bindings”.

**Figure 1. Time line of the main events of MKM’s history**



Own elaboration. Data source: Information provided by MKM Comercial S.L.

- Mission, Vision and Values

**Mission:** To meet the needs of the graphic industry orienting all its products to the post-printing sector and providing value added with their advisory and technical services.

**Vision:** To be a group of people who works together to provide the best products to the graphic industry, through quality products, prompt delivery and excellence in service.

**Values:**

- **Offer customized products and services to each client:** MKM is a customer-oriented company, which looks for the highest satisfaction of its clients. As a consequence, it is specialised in knowing the necessities of each client and adapting their products to those necessities by offering a wide range of consumables and machines.

- **Commitment with results:** MKM has a strong commitment with delivery deadline dates, it produces high quality, consistent bindery consumables for high production environments and offers quality and a great finish on the final products. Moreover, it buys the machines from the industry leaders offering always the highest quality.

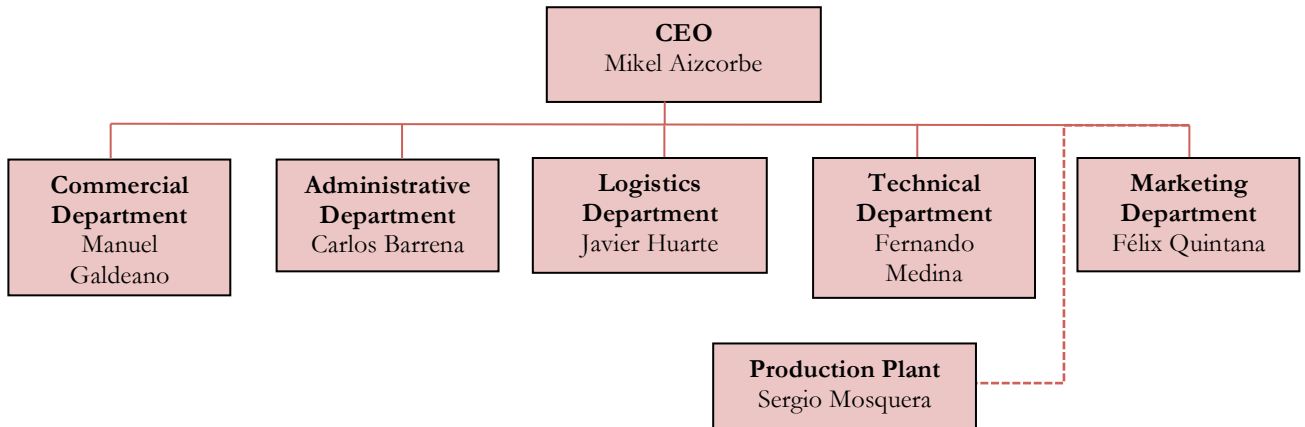


- **Collaboration and union are essential:** Collaboration among all the departments of the company is essential in order to achieve company goals.

-Organization

MKM has been growing over the years passing from 5 workers initially to 20 nowadays. These 20 employees are organized in the different departments shown in Figure 2.

**Figure 2. MKM's Organization Chart**



Own elaboration. Data source: Information provided by MKM Comercial S.L.

MKM has its headquarters, production plant and main warehouse located in Navarra. In the headquarters, we can find a Commercial Department with four sales agents. Each of them is specialized in a region: two of them are specialized in the North (Navarra, Basque Country and La Rioja), another one is in charge of Madrid and the last one is focused in Cataluña. In addition, the Sales Director is in charge of the international clients. Finally, in order to save costs, MKM subcontracts distributors located in regions such as Andalucía, Canary Islands or Galicia, when necessary.

Moreover, the Logistics Department has 3 people working in the warehouse of Pamplona, who are responsible of stocking up all the products as well as preparing the orders for the clients. Regarding Madrid's warehouse, it also works with the services of a subcontract.

The third department is the technical one with 4 technicians who are in charge of the machines' repairs. Once again, MKM subcontracts two more technicians that complete the technical service offered by its four official ones. Furthermore, in the production plant there are 6 people working in two shifts.

In the Marketing Department there is just one person that is usually helped by members of other departments.

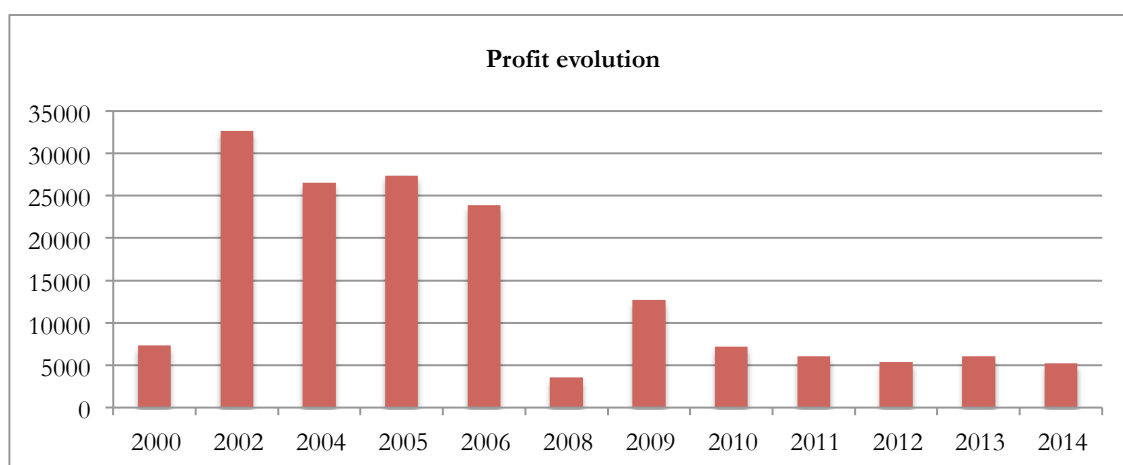
Besides, in the Administrative Department there are 4 people doing accounting work, as well as being in charge of customer service and finally, fiscal and human resources issues are outsourced to an external company.

It has drawn my attention how MKM outsources some activities to be more efficient and save costs. It is important that small firms as MKM are aware of the benefits that outsourcing brings, as “a properly conducted outsourcing project may considerably improve the operational effectiveness of an enterprise by allowing it to focus on its core competences. Cooperation with external service providers also enables the enterprise to access professional knowledge, technology and a broad pool of talents.”(Ziolkiewicz, 2011)

#### -Company results

In Graph 1, MKM’s profit evolution is shown. Since the amounts achieved in years 2001, 2003 and 2007 were too high<sup>1</sup> compared to the rest of the years and the resulting graph was not visual, I have eliminated those three years. What is seen in this graph is that before the crisis, MKM was going quite well, however, in 2008, the first year of crisis, they had a huge fall. In 2009 they recovered a little bit from this initial fall, but in later years its profit has remained very low. In 2013 it started to recover its activity but the effects on its profit are still quite weak and cannot be appreciated in Graph 1. Thus, in Graph 2, operating income evolution is shown, to see how its volume of activity is starting to be reactivated.

**Graph 1: MKM’s profit (2000-2014)**

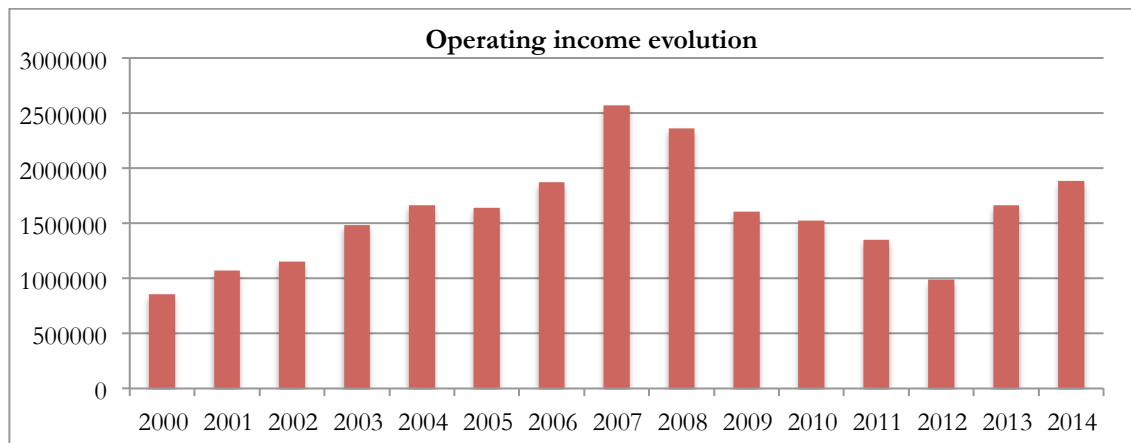


Own elaboration. Data source: SABI and information provided by MKM Comercial S.L.

<sup>1</sup> Data provided by SABI from years 2001, 2003, 2007 accounts for 222,560 €, 195,587€ and 151,229€ respectively.

In Graph 2, we can see the growth of MKM over the years, increasing its operating income year by year till 2007, when it reached its maximum level (€2,569,480). After 6 years of crisis, since 2013 they have started their recovery increasing their activity leading to a higher volume of sales than the previous years. Now, if they continue increasing their sales, they hope to see its effects in profit.

**Graph 2: MKM's operating income (2000-2014)<sup>2</sup>**



Own elaboration. Data source: SABI and information provided by MKM Comercial S.L.

Asking the members of the Administrative Department about the reasons of this recovery, they have pointed out three different reasons:

-First of all, there has been a slight recovery of the graphic arts and paper industry, as it will be shown later on, in the macroenvironment analysis. However, this recovery is still very small, meaning that it is not the main cause of the recovery of MKM.

-Secondly, MKM has achieved to survive to the crisis while some of their competitors such as Ofipack Villalba S.L, which closed in 2009 and Intersistemas S.A., which closed in 2013, have not. Thus, this has given MKM the opportunity to strengthen its position in the market and gaining some clients from these competitors that have left the market.

- Finally, another fact is that during the crisis, clients have not spent money in buying new machines or repairing them and they have tried to extend their lifetime. Consequently, in these two past years, those companies that have started to be in a better financial situation, have started to invest again in machinery, having very positive consequences for MKM.

<sup>2</sup> The information for year 2014 in SABI is different. The reason is that at the end of 2013, MKM comercial S.L acquired MKM Wire Bind S.L, another company owned by the CEO of MKM comercial S.L. In SABI the level of operating income of 2014 is much higher because it includes both companies, while in the previous years it only includes the information of MKM comercial S.L. The value of 2014 in my graph has been provided by the company, in order to see only the evolution of MKM comercial S.L. (2005 and 2010 values have also been provided by the company since they were not available in SABI).

After looking at this data and seeing that MKM is starting its recovery, I have decided to do a deeper analysis of its profitability and structure of the last two years available, which in the end is what will help us to see if it is really in a good situation and if it will be able to continue recovering in the following years. (*Annex 1: Ratios calculations and formulas*)

**Table 1: Financial analysis**<sup>3</sup>

Profitability	2013	2012
ROA (%)	0.35%	0.33%
ROE (%)	0.90%	0.80%
Structure	2013	2012
Guarantee ratio	1.62	1.68
Current ratio	1.93	2.3
Indebtedness	1.6	1.47

Own elaboration. Data source: SABI

Profitability: it has to be said that both the economic (return on assets) and the financial profitability (return on equity) have been positive all the years. However, the years during the economic crisis they have been quite low. We can see a slight improvement between 2012 and 2013: ROA, which means how efficient MKM is at using its assets to generate earnings, has increased from 0.33% to 0.35% but it is still very low. ROE, which shows the profit generated by MKM with the money invested by its shareholders, has also improved between 2012 and 2013, increasing from 0.80% to 0.90%.

Structure: Guarantee ratio, which shows the relation between total assets and total liabilities, was 1.68 in 2012 and 1.62 in 2013. It is good both years because it is higher than 1 but there is a slight deterioration from 2012 to 2013. Regarding the current ratio, which shows its ability to cover its short-run liabilities with its short-run assets, it was 2.3 in 2012 and decreased to 1.93 in 2013, due to the fact that current liabilities increased in a greater proportion than current assets. As it is around 2 both years, it can be said that MKM is functioning correctly. Finally, looking at the indebtedness ratio, which shows the level of debt of the company relative to equity, it has increased between 2012 and 2013, showing that leverage has increased, depending more in external financing than in its own resources.

What we can conclude from this information is that although profitability has improved between both years, the structure has worsened, having fewer assets relative to liabilities and higher debt. The company must be careful with these facts if it does not want to stop the good impact that may have the improvement of the volume of sales in these past years.

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<sup>3</sup> Calculated ratios are from years 2012-2013 since 2014's information in SABI includes the acquisition of another company and this would distort the conclusions about the evolution of MKM Comercial S.L.

2.1.2. *Marketing strategy analysis*

-Positioning strategy

“Marketers plan positions that distinguish their products from competing brands and give them the greatest advantage in their target markets” (Kotler and Armstrong 2009).

MKM has clear the position it wants to occupy in the minds of its target consumers in order to differentiate from the rest: it provides greater customer value by offering more benefits that justify higher prices. The company differentiates itself by offering high quality machines, from the best world manufacturers, by having a strong commitment with delivery deadline dates and by the supply of customized consumable products (in terms of colour, size or diameter), adapting to the needs of each customer. We could say that their value proposition consists of a “More-for-more” positioning, not only because they offer the highest quality products and services but also because they offer a complete solution for the post-printing activities (machines, consumables and technical service).

**Figure 3. Value proposition of MKM comercial S.L.<sup>4</sup>**

		Price		
		More	The same	Less
Benefits	More	More for more	More for the same	More for less
	The same			The same for less
	Less			Less for much less

Own elaboration. Source: Kotler and Armstrong (2009)

-Marketing Mix

**Products and services:** The product portfolio of MKM is quite diversified and can be divided into three different groups: machines, consumables and technical services.

First of all, MKM, as a distributor of machinery for graphic arts, offers a wide range of equipment imported from the best manufacturers such as Kisun, Bacciottini and Komfi. It has to be clarified that the machines they sell are only for the post-printing activities: they sell binding machines, laminating machines, varnishing machines and paper cutting

<sup>4</sup> Green cells are winning value propositions (give companies a competitive advantage). Red cells are losing value propositions and the yellow one symbolizes at most a marginal proposition.

machines among others. Besides, inside each type of machine, they offer simpler or more complex prototypes, offering small machines for offices and industrial machines for the book publishing industry. Secondly, MKM also offers a wide range of consumables that can be used with those post-printing machines: plastic and metal spirals, calendar hangers, notebook covers and binding glue, among others. Initially MKM used to buy all of them, but since 2005 it produces part of them. Concretely, it produces: plastic filament spools, plastic and metal spirals and double wire spools.

**Figure 4: Examples of machines and consumables sold by MKM**



Own elaboration.

Finally, MKM offers technical and advisory services. The technicians of the company provide full technical support for all their products and also offer advisory services to those clients that are thinking on buying any of their products.

As a summary, we could say that MKM offers machines, together with the material necessary to use those machines and the service required to install and maintain them.

Besides, it has to be said that MKM's consumables are not specific for their machines, this is, they can be used with machines that are not sold by them. This is quite important as it gives them the opportunity to sell their consumables to a wider range of clients.

**Price:** Regarding its price policy, as it imports machinery from the best manufacturers in the world, produces its consumables with high quality materials and has a strong commitment with delivery deadline dates, it charges high prices.

The way prices are established is very simple: they take into account their cost (of importing or producing) and add a margin. This margin depends on the competition that exists for each type of product they sell. Besides, the spirals they produce are customized in terms of length, colour and diameter, upon request. Thus, it is impossible to obtain a list of prices because they differ depending on those characteristics.

Moreover, according to the company's price policy, the technical service does not have the aim of making profits. These services are offered to provide a better experience to their clients: they usually agree a price with the client for the whole service just to cover the costs of new pieces. Even when sometimes they need to do 2-3 visits to the client to finish the reparation, they maintain the agreed price because their objective is not to make profits with technical service but to make clients feel they are obtaining value from MKM, as "customers gain value when the benefits delivered to them through a product exceed the price they pay for it"(Smith, 2012).

**Distribution:** For the distribution of its products, MKM hires the services of transport companies. Figure 5 shows the distribution flow of their products.

**Figure 5: Distribution flow of MKM's products**



Own elaboration.

The transport company hired by MKM depends on the fact if the client is in Spain or in a foreign country. On the one hand, for national distribution it hires the services of the transport company DHL. Orders inside continental Spain are delivered within 24 hours and as they explain in their webpage "thanks to proper organization of the administration and warehouse areas, orders received by 17:30 are packaged, labelled and shipped on the

same day and delivered overnight”. Thus, MKM stands out offering prompt delivery to the most demanding national clients.

On the other hand, for international clients, the transport company chosen depends on the volume of the products. For small volume, they hire SEUR and DPD and for bigger volumes that have to be shipped using pallets, the firms hired are Transnatur and Rhenus.

Moreover, in order to distribute its advisory services, MKM has its sales agents (always supported by the technicians) who are responsible of visiting customers to offer them the most suitable machines and consumables. Finally, to distribute its technical services, the technicians are the ones who visit clients to install new machines, repair broken ones and explain them everything they need for their correct functioning.

**Communication:** When thinking about the communication strategy, companies have to choose between using transactional marketing, relationship marketing or a mixture of both.

MKM looks for long-term relationships with their clients. Thus, it uses relationship marketing: “The objective of relationship marketing is to build long-term satisfying relationships with the key elements of the company (clients, distributors, suppliers and employees) in order to capture and retain its business”(Keller and Kotler, 2012). MKM tries to build these successful relational exchanges by trying to generate loyalty from their customers, suppliers and distributors through direct and individualize communication.

The customer portfolio is very wide, going from individual clients to big graphic arts companies. This is why MKM has to use very different communication channels to be able to arrive to all of them. First of all, it uses some traditional direct channels in order to communicate with local small businesses such as phone calls, fax and commercial visits.

Secondly, in order to maintain their relationship with bigger clients, apart from doing commercial visits, MKM assists to trade fairs. One example is “Graphispag”, a trade fair celebrated in Barcelona where companies from the printing and multichannel communication industry meet. Moreover, as they started exporting in 2007 and they have the objective of continuing their internationalization, they also visit the international trade fair “Paper World”, celebrated in Frankfurt.

Moreover, Digital Marketing is also used by MKM to interact with its clients. As Sainz de Vicuña (2015) points out “Internet is not only for <<.com>> companies, it has to be introduced in the marketing strategy of all the companies”. The Digital Marketing tools that MKM uses are the following ones:



-Mail: This is one of the most basic tools used in Digital Marketing. It is an easy and fast way for MKM to arrive to all its clients.

-Webpage: MKM has its own webpage <http://www.mkm.es/index.php>. It was remodeled in 2013 in order to adapt to the changes of Internet and to make it more attractive and accessible. Moreover, since 2014, clients can access through this webpage to the following online shop: <http://www.spiralbooksystem.com/>, where they can buy MKM's products.

-Social Networks: MKM has a YouTube channel and a Facebook profile. However they are not very active and they do not update them much.

Finally, they also do some publicity with advertisements that are published in the sectorial magazine "Interempresas". (*Annex 2: Two examples of magazine advertisements*).

### *2.1.3. Customer portfolio analysis*

MKM's customer portfolio is very wide: book publishing companies, small copy shops, distributors, institutions and private offices, schools and individual clients.

They are in total around 1000 active clients (in 2015). According to the company, the Pareto rule 80/20 holds. This is, the 20% of the clients are the 80% of the sales, while the other 80% are only the 20% of the sales. However, as they have 1000 clients, the 20% means 200 clients, so they say that they do not have a strong dependence on any of them.

Most of them are Spanish, from Navarra, Basque Country, La Rioja, Madrid, Cataluña and other regions, being the majority located in the North and Madrid. Moreover, since 2007 they export to some clients abroad, in Portugal, Italy, Germany, Austria and United Kingdom.

In terms of sales volume, the most important ones are the big editing and publishing companies, such as Grupo Editorial Luis Vives, Encuadernaciones Rueda, Impremta Pagés, and Encuadernaciones Pedrero. Furthermore, distributors, which are companies that buy their products and resell them to final consumers, are also an important group of clients for MKM. Inside this group it is Codisur S.L., which is in the top 10 of MKM clients and buys its products to resell them in Andalucía and Extremadura.

The rest of the groups of clients are less important in terms of total volume of sales, nonetheless, MKM considers all its clients important. Some examples of these clients are: Ulzama Color and Copyprint, two successful copy shops of Pamplona, Iturrama Public School and the BOE (Boletín Oficial del Estado).

With respect to the purchase frequency of their customers, we have to take into account that it is very different to buy machines than consumables. Machinery is bought when it is necessary by each company, being difficult to indicate a specific frequency. But if we talk about consumables (staples, glue, binding spirals...), the prevailing trend is that small copy shops and schools buy weekly and bigger companies usually buy monthly.

Finally, thanks to its good service and personal treatment, MKM has very loyal clients. In fact, according to the company, among the most important first 20 clients, the majority have been more than 15 years buying MKM's products and services. Besides, they are quite satisfied, always willing to pay its higher prices to obtain its higher quality products. However, it is true that in the last years they have also lost some clients. According to the company, there are three different reasons that have led to the loss of some customers:

-Firstly, as it has already been mentioned, MKM has a value proposition of "more-for-more", which leads to higher prices. Thus, during the crisis, some clients have changed to other cheaper suppliers. This is the case of its client OCE España S.A., which had a cheaper offer from Yosan, one of the main competitors of MKM and decided to change.

-Secondly, as a consequence of the crisis, there have been some companies with financial problems becoming doubtful debtors. In this case, sometimes has been MKM the one that has decided to end the relation with the clients and in other cases the companies have closed. An example is the historical Editorial Everest, which closed in September 2015.

-Finally, during the history of the company, there have been some cases in which clients have bought machinery that has broken down and the technical service of MKM has not achieved to solve the problem. Nonetheless, the technical service of MKM has been improving over the years, leading to a reduction of this type of conflicts.

Fortunately, MKM has a big client portfolio with a lot of loyal clients and these last situations explained above are considered isolated cases.

#### *2.1.4 Analysis of the relationship with other companies*

MKM needs to have strong relationships with the manufacturers of machines and consumables in order to be able to carry out its daily operating activities, which are based on reselling those products. Thus, it tries to maintain a good relationship with its suppliers; otherwise they could start supplying their products to competing companies. However, it has to be mentioned that according to MKM, they do not have a strong dependence on any of their suppliers, since there are many and there exists great competition among them.

Some of the main machine suppliers of MKM are Bacciottini, Vivid Laminating Technologies, Komfi and Renz, while the names of some consumables suppliers are Globalfilms, Henkel and Resilia. The way of working with them is usually through a contract of exclusive sales that is renewed annually. This is very important for MKM because it gives them the opportunity of being the only ones that sell the machines from a determined supplier, which allows them to differentiate from their competitors. (*Annex 3: Exclusive sales contract with Vivid Laminating Technologies*).

Regarding their relationship with distribution companies, as it has already been mentioned in *Point 2.1.2, Distribution*, MKM works only with DHL when the distribution is done in national territory. In this case we cannot talk about the existence of an exclusive distribution agreement, having MKM the option of hiring another transport company if it desires it. However, they have been working many years with DHL and due to the good service, they are loyal to it. Besides, they sign with them annual contracts with a fixed transport rate for the whole year, allowing MKM to forecast more precisely the transport costs it is going to have each year. This transport rate is calculated taking into account the volume of the merchandise and the destination, which is determined dividing the Spanish regions into different zones. (*Annex 4: Transport rate specifications from DHL*).

Finally, concerning the relationship with other companies, nowadays it does not participate in any collaboration agreement. However, some years ago, they participated in a partnership with the companies DHP, Buiran, Domingo Ferrer S.L. and Paperbinder in order to achieve larger orders and reduce costs. Nevertheless, distrust among them and the fact that MKM started to be bigger and did not need to be part of the group led to the dissolution of the partnership.

## **2.2. External situation analysis**

In this section, the external analysis of MKM will be done, including the macroenvironment, the market and competition. These factors cannot be modified by MKM but they affect it, so it is crucial to do a deep analysis in order to find its main opportunities and threats. The analysis will be focused on the Spanish situation, since most of their clients are Spanish.

The turnover of MKM, as it is a company that supplies products to the graphic industry, depends on the turnover of those companies dedicated to the graphic arts (such as book manufacturing companies or copy shops), as well as on public institutions or schools and

universities, which need their products for their daily operations. Thus, the macroenvironmental analysis will be focused on these economic activities.

### 2.2.1 Macroenvironmental analysis

#### -Demographic environment

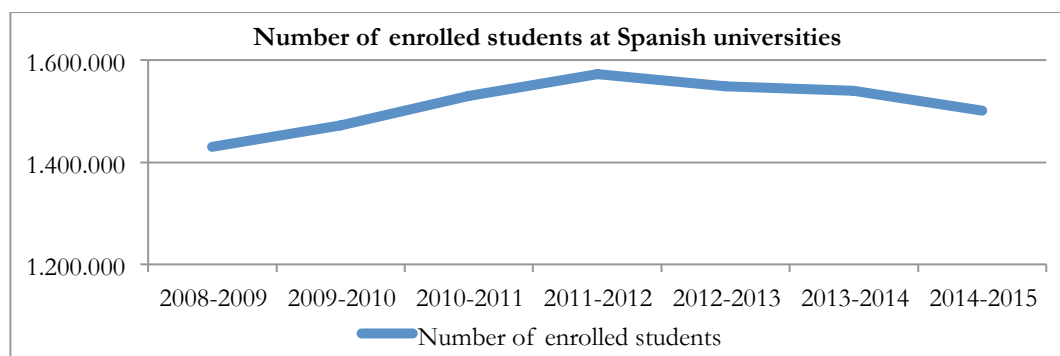
“The demographic environment is of major interest to marketers because it involves people, and people make up markets” (Kotler and Amstrong, 2009).

As MKM sells products for the post-printing activities, the demographic factors affecting the demand for printed products will be analyzed, since without printed products, the products sold by MKM would not be bought. The demand of printed products depends on the level of population in general and the level of education (number of school applicants, university enrollment...) in particular.

Spanish population is 46,423,064 inhabitants. This population has increased during the crisis. However, since 2012 it has started to decrease again but the level is still higher than before the crisis. (INE: Población residente por fecha, sexo y edad. Series detalladas desde 2002). This higher level of population can be taken as positive, meaning higher demand.

Regarding the level of university enrollment in Spain, it has been increasing along time. However, as it can be seen in Graph 3, these last years there has been a slight decrease, which can be interpreted as negative effects on the graphic industry in terms of lower paper used, less books or notebooks bought, among other stationery products.

**Graph 3: Number of enrolled students at Spanish universities (2008-2015)**

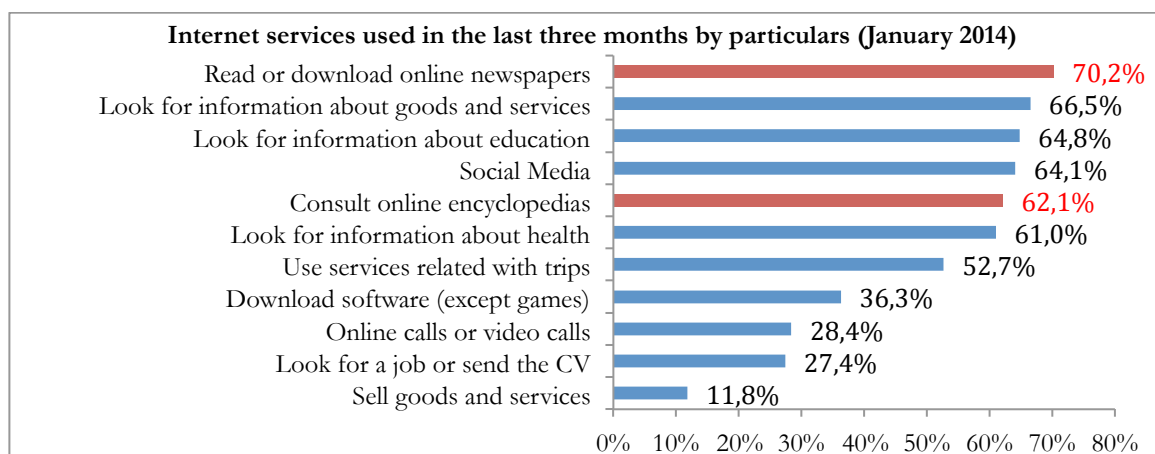


Own elaboration. Source: Ministerio de Educación, Cultura y Deporte. Estudiantes matriculados 2008 a 2014.

Moreover, the irruption of digitalization has also changed the way people work and do their day-to-day activities. More concretely, the use of Internet has been increasing over the years, having the 78.7% of the Spanish homes Internet access in 2015. (INE: Encuesta sobre equipamiento y uso de tecnologías de la información y comunicación en los hogares).

But the important thing is the use they give to the Internet. In Graph 4, it can be seen that in a survey done by the INE, the 70.2% of people answered that they use Internet to read the news and the 62.1% answered that they use it to consult online encyclopaedias. These are bad news for the printing industry, which sees that the tendency is to a reduction of the demand of printed newspapers, books or encyclopaedias.

**Graph 4: Internet services used in the last 3 months by particulars.**



Own elaboration. Source: INE: El comercio electrónico y el uso de las nuevas tecnologías (January 2014)

#### -Economic environment

The Spanish economy has suffered a deep financial crisis during the last years since 2008, however, since 2014, there are signs of a slight recovery, as it can be seen in graph 5.

**Graph 5: Spanish GDP growth rate (2011-2014)**

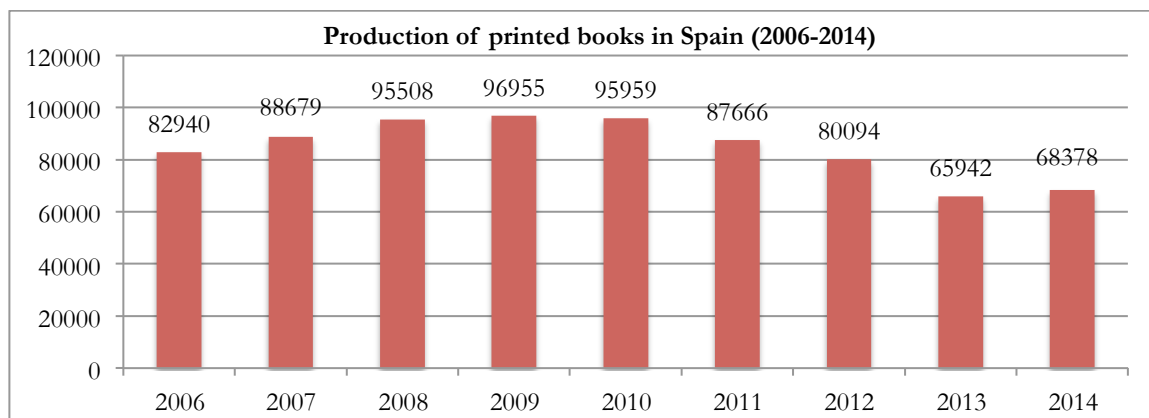


Own elaboration. Source: INE: Contabilidad Nacional Trimestral de España. Base 2010 (4º trimestre 2015)

In graph 5 it is shown that in 2014 Spanish GDP growth in terms of volume was of 1.4% relative to 2013, and the provisional data for 2015 shows an increase of the 3.2% with respect to 2014. Thus, it seems to be a recovery of the economy as a whole, which has also affected to the paper and graphic industry, as it will be shown in the next paragraphs.

First of all, looking at the book printing and editing industry, which is an important part of the sales of MKM, will help us to realize in which scenario MKM is living. The tendency of printed books has been a decreasing production between 2009 and 2013, (Graph 6). However, according to the report “Panorámica de la Edición Española de Libros 2014”, in 2014 there has been a slightly increase of a 3.7% relative to 2013, from 65,942 books in 2013 to 68,378 books printed in 2014, showing a recovery of this activity.

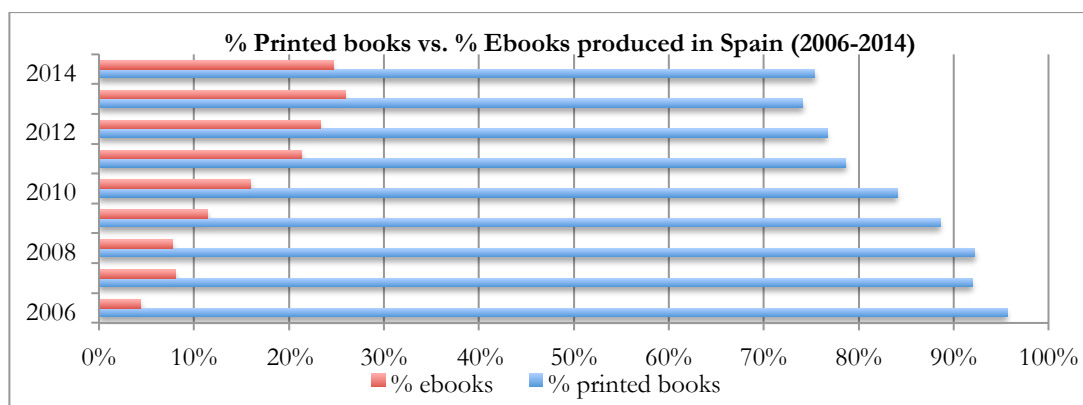
**Graph 6: Printed book production in Spain (2006-2014)**



Own elaboration. Data source: Ministerio de Educación, Cultura y Deporte. Panorámica de la Edición Española de Libros 2014.

However, it is important to be realistic and be aware of the most important threat for the printing industry: digitalization. What data shows is that although there is still a high difference in the number of printed books against digital ones, digital books production is increasing while printed books production is decreasing. We can see this trend in Graph 7. Although this graph also shows that in 2014 this trend has changed a little bit, increasing the percentage of printed books and decreasing the percentage of E-books, the industry has to be aware of the threat represented by digitalization.

**Graph 7: Printed books vs. E-books on total books produced (2006-2014)**

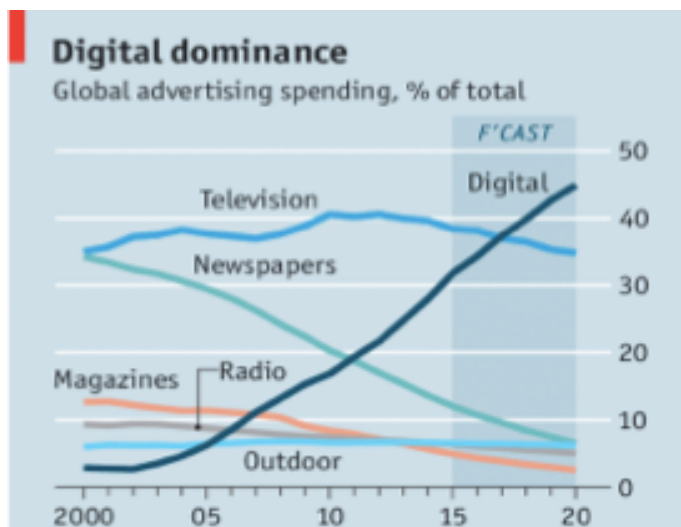


Own elaboration. Data Source: Ministerio de Educación, Cultura y Deporte. Panorámica de la Edición Española de Libros 2014.

Moreover, CESCE, in its report “Informe sectorial de la economía española: Sector Papel y Artes Gráficas 2015”, talks about the start of the recovery of this industry in 2014 thanks to the higher investment in publicity. In this report it states that the decrease of the demand of graphic paper (which includes paper for newspapers, magazines, catalogues, brochures, etc) has softened its tendency. This is, the demand for graphic paper in Europe decreased in 2014 a 3.2%, but this decrease was lower than in the three previous years.

However, a recent article of The Economist in March 2016 shows the digital dominance in publicity, (Graph 8). So what I can interpret from this graph is that if the Graphic Arts industry recovers, it will not be thanks to advertising spending in newspapers or magazines, so it seems that although CESCE’s report shows an improvement due to this fact in 2014, the forecasts for the future years do not seem positive.

**Graph 8: Global advertising spending, % of total**



Source: The Economist. (26<sup>th</sup> March 2016). Digital Advertising: Invisible Ads, Phantom readers.

Nevertheless, the book industry and advertising are just a part of the graphic industry. If we look at the graphic industry as a whole (pre-printing, printing and post-printing activities), according to the DBK Sectorial Observatory of Informa D&B, after 7 years of decreases, the provisional data for the close of 2015 shows a 0.3% increase in production and it forecasts an increase of a 1% for the year 2016 (Table 2). However, according to INE, the number of companies in the industry is decreasing year after year (Table 3).

**Table 2: Data summary of the Graphic Industry (2014-2015)<sup>5</sup>**

Production (mill. €)		Evolution of production (%)	
2014	3015 mill. €	% var. 2015/2014 (provisional)	0.3%
2015	3025 mill. €	% var. 2016/2015 (forecast)	1.2%
Production distribution			
Type of activity	(mill. € 2014)	Weight of each activity (%)	
Pre-printing	955 mill. €	32%	
Printing	1850 mill. €	61%	
Post-Printing	210 mill. €	7%	

Own elaboration. Source: Observatorio Sectorial DBKde Informa D&B. Estudio Sectores Artes Gráficas.

**Table 3: Number of companies of the Graphic Arts industry**

Year	2013	2014	2015
Number of companies	14,805	14,331	14,042

Own elaboration. Data source: INE: empresas por actividad principal (divisiones CNAE 2009) y edad.

From the whole information above, what we can conclude is that the activity of the Graphic Industry seems to be improving after some years of crisis. More specifically, printing activities are the ones generating the highest economic activity and as it has been shown in Graph 6, book editing and printing seems to recover. However, it is important to point out three aspects: firstly, that we are in the digital era and this is affecting the way people read books and newspapers, so the industry is threatened. Secondly, that MKM is dedicated only to sell products for the post-printing activities, which represent just a 7% of the production of the whole sector. And thirdly, that although the activity has increased, INE's data shows that the number of firms is decreasing, something that can be interpreted as more activity concentrated in less companies gaining power.

#### -Technological environment

Regarding the investment in R&D in Spain, during the period 2004-2008, the expenditure in R&D increased, going from €8,946 million in 2004 to €14,701 million in 2008. However, during the economic recession, this amount has been decreasing, arriving in 2014 to the lowest amount in the last 8 years. The last data from 2014 shows a decrease of a 1.5% with respect to 2013, being the total amount spent €12,821 million. (INE, Estadística sobre actividades en I+D).

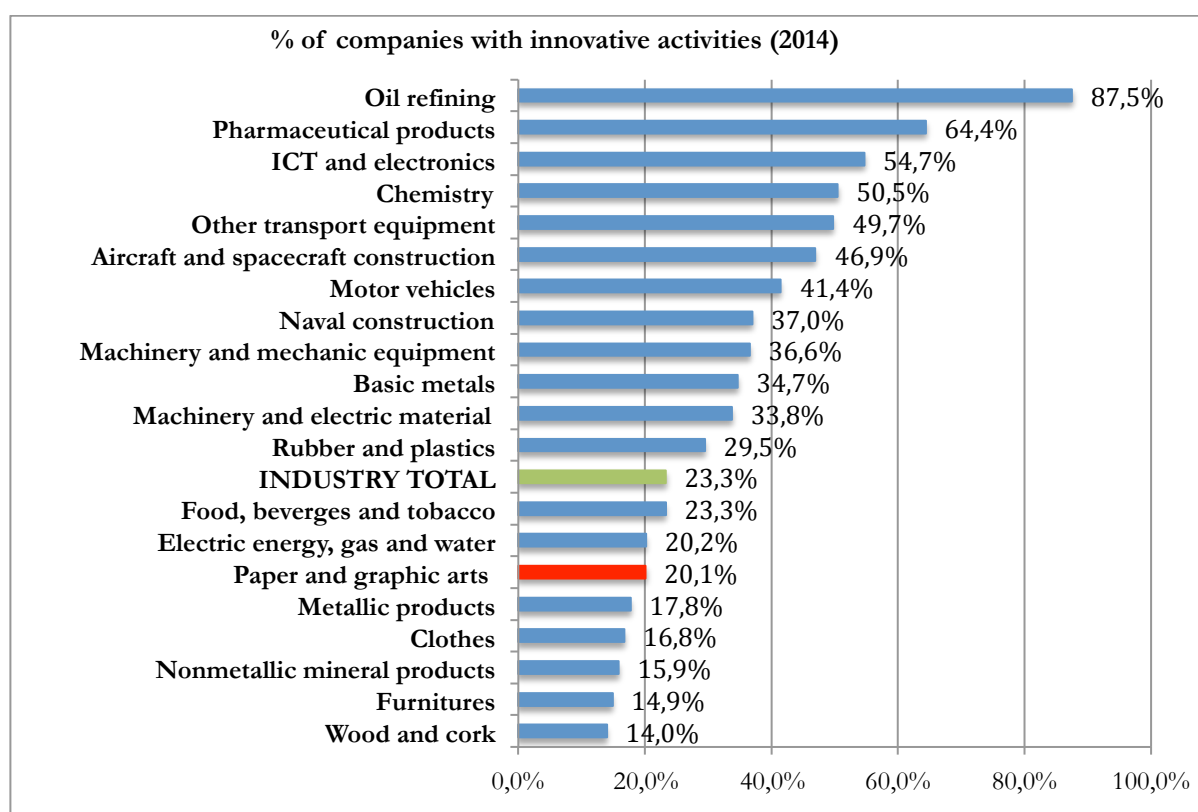
If we look at the Paper and Graphic Arts industry, the levels of innovative activities are lower than in the whole industry. Regarding the percentage of firms with innovative activities in year 2014 (the latest available data), in the Graphic Arts and Paper industry

<sup>5</sup> Pre-printing includes image and text treatment, printing includes paper printing, serigraphic, flexographic, etc and post-printing includes activities such as binding, laminating or varnishing.



only the 20.1% of the firms have innovative activities while in the total industry this amount accounts for the 23.3% (Graph 9). However, although the level is lower in the Graphic Arts industry than in the rest of the economy, it has to be said that the previous year (2013), this level was 18,6% showing an increase of 1.5 points. So what can be concluded from this information is that although the innovation activities in the Graphic Arts and Paper industry are still low, the percentage seems to be increasing, something that has to be taken as a positive effect for the sector and as a consequence, for MKM.

**Graph 9: Companies with innovative activities in 2014 (% on total companies)**



Own elaboration. Data source: Ministerio de Educación, Cultura y Deporte (April 2016). Presentaciones Sectoriales: Sector Papel, Artes Gráficas y Reproducción de Soportes Grabados.

-Natural environment

“The world has recognized that climate change is no longer solely an environmental problem. Rather, it has become an economic, trade and security issue that will increasingly dominate global and national policies as its impacts become more apparent” (United Nations Framework Convention on Climate Change, 2007).

There exist official rules developed over the years in order to reduce greenhouse gas concentrations and reduce climate change, such as The United Nations Framework Convention on Climate Change (UNFCCC), an international treaty that entered into force

in 1994 and the Kyoto Protocol, an agreement signed in 1997 with the goal of reducing greenhouse gases emissions. Thus, the society as a whole, going from individual people to companies, has the responsibility of complying this agreements and taking care of the planet with their daily actions.

Moreover, the ISO 14000 (Environmental management) and ISO 50001 (Energy management) families of standards provide tools for companies to manage environmental and energy issues. Concretely, according to the article “La sostenibilidad de las artes gráficas” published in the graphic sector’s magazine *Imprempres*, the main ISO standards related with the environment used in the graphic arts industry are the following ones:<sup>6</sup>

-ISO 14001:2015 (Environmental management systems) used to manage firms’ environmental responsibilities providing value for the environment, the organization itself and interested parties.

-ISO 16759:2013 (Graphic technology- Quantification and communication for calculating the carbon footprint of print media products) determines how to quantify the carbon footprint of processes, materials and technologies used to produce print media products.

-ISO/TR 17098:2013 (Packaging material recycling- Report on substances and materials which may impede recycling) describes materials which cause problems for the recycling process, or which have a negative influence on the quality of recycled material, where technical solutions are not expected to be developed in the near future.

-ISO 50001:2011 (Energy management systems) determines how to establish, maintain and improve an energy management system, to enable a company to achieve continual improvement of energy performance, including energy efficiency and energy consumption.

More and more companies of the sector are doing efforts to obtain these ISO certifications, leading to benefits both for the environment and the company itself.

### *2.2.2. Main characteristics and trends in the Graphic Industry*

The Printing Consultant Sean Smyth stated about the future of the Graphic Industry that: “The printing world is changing and other technologies are arriving. Before 1998, graphic market did not have any competition, but nowadays there exists the Internet and electronic media. Graphic Industry must suffer its own transformation to adapt to this new era. New types of products are starting to be offered: printing with special effects, industrial printing, 3D effects, etc. It is a time of challenges for the industry.” (*Imprempres* N° 405, p.4)

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<sup>6</sup> Definitions of each ISO standard are taken from <http://www.iso.org>

However, although the industry is suffering many changes, paper printing is still important and there are sectors in which it is completely necessary. For example industrial printing is booming, being packaging and labeling important marketing tools for firms. Besides, according to another article, “although it is clear that communication through digital media has grown exponentially in recent years, many graphic paper products resist: printed catalogs arouse greater interest in consumers than their counterparts online and customers still check printed catalogs before buying online.” (Imprems N° 403, p.49)

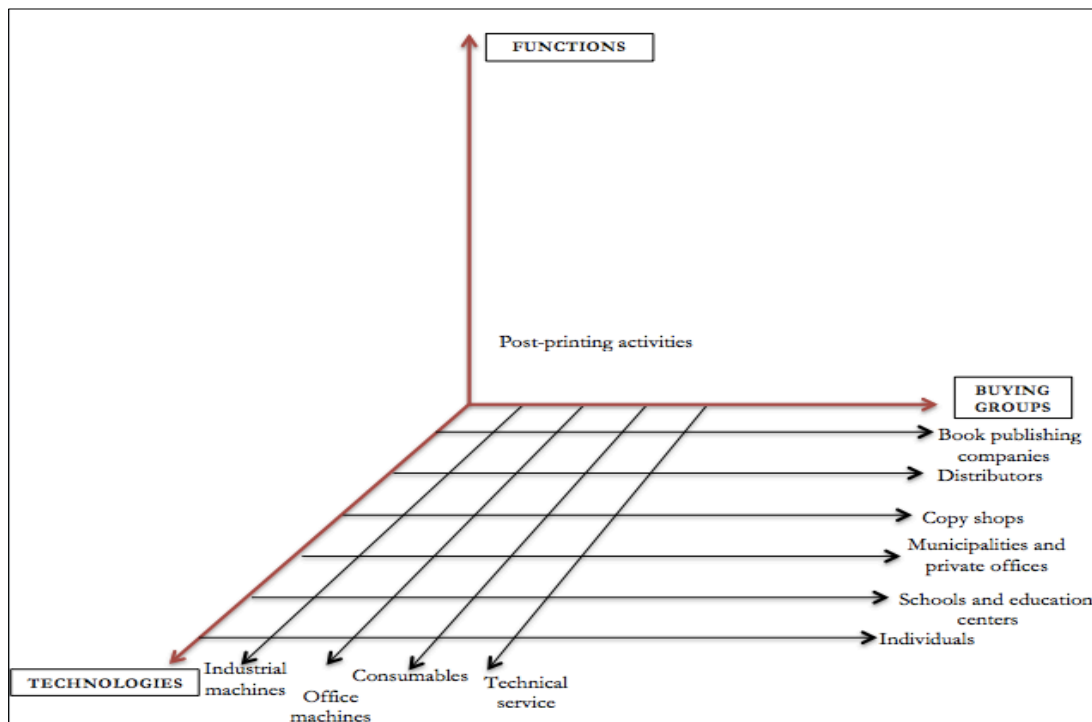
### 2.2.3. Market analysis

“Any company that does not know in depth the market in which it operates has the slightest chance of staying there” (Sanchez, 2007). In this section, the reference and relevant market, market segmentation and consumer behavior will be analyzed in order to know more deeply the market in which MKM is operating.

#### -Reference market and relevant market

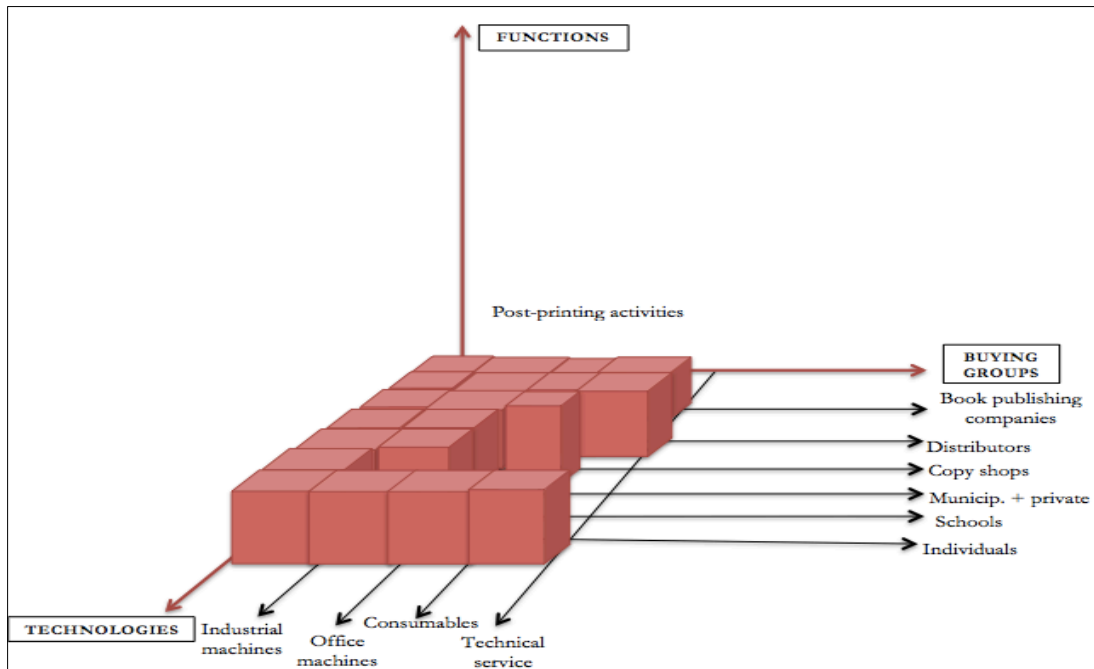
The market to be analyzed depends on the basic functions or needs to be covered (post-printing activities), the buying groups (book publishers, distributors, copy shops, municipalities and private offices, education centers and individual clients) and the technologies used to satisfy those needs (machines, consumables and technical services).

**Figure 6: Reference market**



Own elaboration.

**Figure 7: Relevant market**



Own elaboration.

-Market segmentation

MKM’s customer portfolio is quite diversified and in order to focus more accurately on the needs of each of them, it divides them into smaller segments with common needs. They use two types of segmentation: geographical (to focus the efforts of the sales agents in each area in order to adapt to the geographical differences in needs and wants) and behavioral (based on the differences in uses or responses to their products). In tables 4 and 5 it can be seen the importance of each segment in terms of sales level.

**Table 4: Geographical segmentation of MKM’s customer portfolio**

1st	2nd	3rd	4th	5th
Navarra, Basque Country, La Rioja	Madrid	Cataluña	Rest of Spain	Other countries
25%	35%	25%	7%	8%

Own elaboration.

**Table 5: Behavioral segmentation of MKM’s customer portfolio**

1st	2nd	3rd	4th	5th	6th
Book publishing companies	Distributors	Copy shops	Municipalities and private offices	Education centers	Individual final clients
30%	30%	40%			

Own elaboration

It is convenient for MKM to focus its efforts in book publishing companies and distributors specially located in Madrid, Cataluña and Navarra, Basque Country and La Rioja, since most of their sales go to these segments of clients.

-Consumer behaviour analysis

According to Keller and Kotler (2012), consumption patterns are changing. More specifically, they state that “consumers have become more sophisticated”, being more demanding and not satisfied with anything. Moreover, thanks to the Internet, consumers’ power has increased as “they have a greater variety of available products and a great amount of information about practically anything”. Finally, customisation has become fundamental: “traditionally products were designed by companies, but now customers have an input in the design role, customising the product or service to suit themselves”. MKM is aware of this consumer trends, providing customized products in terms of colour, diameter of the spirals and size, satisfying each client’s needs. Besides, it tries to offer always a personal treatment, trying to offer an upscale experience to the most demanding clients.

2.2.4. *Competition analysis*

According to Munuera and Rodríguez (2007), we can differentiate three types of competition: competition in the product form, competition in the product category and generic competition. In the case of MKM, which supplies machinery and consumables for post-printing activities we could do the distinction of competitors that is shown in Table 6.

**Table 6: Types of competition**

Competition type	Competing companies
<b>Competition in the product form</b>	Companies that sell exactly the same products as MKM: the same type of post-printing machinery and consumables used in the post-printing process with the same attributes as MKM’s products.
<b>Competition in the product category</b>	Here would be included all the companies that sell products for the graphic industry. Companies that sell products related with the products sold by MKM, which have similar attributes but are different from their products.
<b>Generic competition</b>	Companies that sell substitutive products of the final products done with the offerings of MKM: electronic books, online magazines or newspapers, which do not need the printing and post-printing process and consequently eliminate the necessity of buying MKM’s products.

Own elaboration.

MKM must recognize that there exist all these types of competition, to be aware of all the threats it faces and the marketing tasks that should be applied for each case (Table 7).

**Table 7: Marketing tasks depending on the type of competition**

Competition type	Marketing tasks
<b>Product form</b>	Convince the market that MKM's products are better than the same product forms offered in the market. (For example: convince that the varnishing machine of the brand sold by MKM is better than the varnishing machine of other brand sold by a competitor).
<b>Product category</b>	Convince customers that the product form offered by MKM is the best in its product category. (For example: convince customers that the final appearance of a book is better if its sheets are varnished with MKM's machines rather than if they are brighten with another technique different from varnishing not offered by MKM).
<b>Generic competition</b>	Convince the market that the product category offered in the graphic industry is the best for satisfying the needs of final customers. (For example: convince final customers that it is better to read printed books and magazines rather than e-books or online magazines).

Own elaboration. Source: Munuera and Rodríguez. (2007)

Product form is obviously the most severe competition; this is why I have decided to do a deeper analysis of the main competing companies that offer the same products and services as MKM, which can be seen in Table 8.

**Table 8: MKM and its main product form competitors**

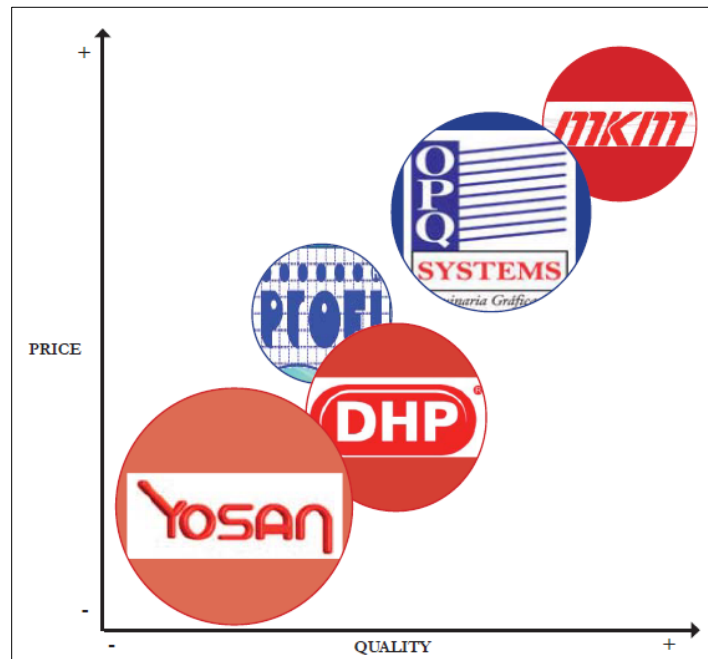
Companies	MKM	Yosan	OPQ	DHP	Profi
<b>Products</b>	·Post-printing machinery (office and industrial) ·Consumables ·Technical service	·Post-printing machinery (office) ·Consumables ·Technical service	·Post-printing machinery (industrial) ·Technical service	·Post-printing machinery (office) ·Consumables	·Post-printing machinery (office) ·Consumables ·Technical service
<b>Location</b>	Navarre and a small warehouse in Madrid	Alicante, Barcelona, Granada, Madrid, Murcia, Valencia	Barcelona and Madrid	Granada, Barcelona and Madrid	Zaragoza
<b>Marketing</b>	·Trade Fairs ·Website ·Online shop ·Ads in sectorial magazines	·Trade Fairs ·Website ·Online shop	·Trade Fairs ·Ads in sectorial magazines	·Website	·Website ·Online shop ·Ads in sectorial magazines
<b>Prices</b>	Not standard prices but in general, <u>high</u> in machines, <u>medium-high</u> in consumables.	Not standard prices but in general, <u>low</u> price both in machines and consumables.	Not standard prices but in general, <u>high</u> prices.	Not standard prices but in general, <u>low</u> price in machines and <u>medium</u> price in consumables.	Not standard prices but in general, <u>low</u> price in machines and <u>medium</u> price in consumables.
<b>Quality</b>	High	Low (machines) Low-medium (consumables)	High	Low (machines) Medium (consumables)	Low (machines) Medium-high (consumables)
<b>Sales volume</b>	1,661,954€	6,576,168€	2,262,025€	2,067,942€	805,825€

Own elaboration. Source: MKM and other companies' websites (sales volume source: SABI from 2013)

Finally, a good way of seeing the position of MKM in the market is through a positioning map (Figure 8). The parameters used for the comparison are quality and price. Besides, the size of each company depends on sales volume. What we can see is that Yosan is the most important in terms of sales volume, however, it is the farthest one in terms of quality and price so it does not represent such a threat. A higher threat could be OPQ, since it is the

second biggest one in turnover and offers also high quality products. However, it only sells industrial machinery, while MKM offers a much more complete range of products.

**Figure 8: Positioning map**

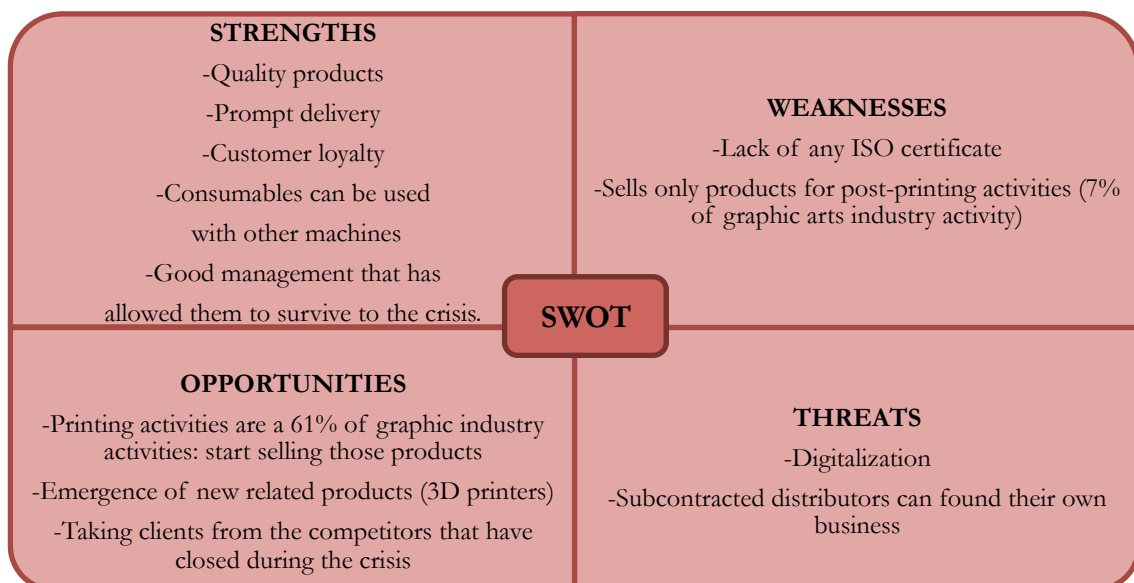


Own elaboration.

### 2.3. Diagnosis of the situation: SWOT analysis

With the information gathered in the internal and external analysis, in this point I will develop a SWOT matrix (Figure 9), where the main strengths and weaknesses of MKM, as well as the main opportunities and threats that it faces in the market are shown.

**Figure 9: SWOT analysis**



Own elaboration.

**Strengths:** MKM differentiates from its competitors by offering high quality products and services always with a prompt delivery. Thanks to this, nowadays it has a very loyal clientele that trusts on them and is very satisfied with their products and services. Moreover, it has known how to manage properly all its resources in order to survive to the crisis and even to emerge stronger from it.

Finally, it is important to point out that the consumables it sells are not specific for the machines it sells, which allows it to sell consumables to clients who do not buy their machines, leading to a higher number of clients.

**Weaknesses:** An important weakness of MKM is that it does not have any ISO certification: neither quality standards (ISO 9000) nor environmental ones (ISO 14000). So although it is true that its products are of high quality, some clients could trust more other competitors that have this ISO certificates.

Furthermore, it is important to point out that MKM only sells products for the post-printing activities, something that can limit their volume of sales and profits due to the fact that post-printing activities only represent a 7% of the graphic industry's activities, as it has been shown in the economic environment (*point 2.2.1.*).

**Opportunities:** The main opportunities that MKM has are that the graphic industry is much bigger than the small range of products that it is currently selling. So one opportunity would be to start selling machines and consumables for the printing process, which represents a 61% of the whole activity of the industry. In addition, new technologies such as 3D printers are starting to emerge, which will have important developments and applications in the near future.

Besides, as many companies have closed during the crisis, it has the opportunity to take their clients in order to increase its sales. As it has already been explained in the internal analysis (*point 2.1.1. Company results*), one of the reasons why MKM has improved since 2013 is that some of their main competitors have closed, and as a consequence, they have the opportunity of starting supplying their products to those competitors' clients.

**Threats:** MKM has to be aware of the situation of the economy as a whole and the graphic industry in particular. It is true that these two past years the situation of its industry seems to have improved, however, this industry has a very important threat: digitalization, which is changing the way people read the news, books, study or even the way companies are doing their advertising, leading to a reduction of printed paper. Finally, MKM should take into account that it works using subcontracted distributors in many Spanish regions. As a



consequence, they should be aware of the fact that if those distributors are performing well and develop the market, they may consider starting their own business. This would imply losing many clients from those regions.

### 3. MARKETING PLAN OBJECTIVES

With all the information obtained from the internal and external situation analysis of MKM, we know its strengths and weaknesses and its opportunities and threats so we are able to set some objectives that can be achieved in the short-medium run.

The economic and non-economic objectives proposed for MKM are shown in table 9. These objectives are set for a period of one year, starting with the Marketing Plan the 1<sup>st</sup> of August of 2016 and ending the 31<sup>st</sup> of July of 2017.

**Table 9: Marketing Plan objectives**

<b>Economic objectives</b>	-Achieve total sales of 1,911,247 € by the end of the Marketing Plan.
<b>Non-economic objectives</b>	-Maintain MKM's customer satisfaction by a 90%. -Increase knowledge about MKM by an increase of a 50% of the visits to its webpage and social network interactions.

Own elaboration.

I consider these objectives are achievable in one year. First of all, the level of sales set is a 15% higher than the level achieved in 2013 (since SABI's data of 2014 includes the acquisition of another company and distorts the reality of MKM's sales evolution).

Secondly, as explained during the project, MKM's clientele considers it is worth to pay higher prices for its products. Thus, the second objective is to maintain their satisfaction by a 90%, so they will continue thinking it is worth to spend a bit more to obtain its products.

Finally, it has been said in the SWOT analysis that a great opportunity is to take the clients of competing companies that have closed. Consequently, in order to take advantage of this opportunity, it is important to increase people's knowledge about MKM and its products.

### 4. SELECTION OF STRATEGIES

#### 4.1. Portfolio strategy

Ansoff Matrix explains the possible strategies used by companies in order to grow through existing or new products and existing or new markets. In this point, the main portfolio strategies chosen for MKM will be explained.

**Table 10: Ansoff Matrix**

		Product	
		Existing	New
Market	Existing	Market penetration	Product development
	New	Market development	Diversification

Own elaboration. Source: Kotler and Armstrong (2009)

Considering MKM’s situation in the market and in order to achieve the objectives, I think market penetration and product development are the most suitable portfolio strategies.

Market penetration is the easiest way to grow since it involves trying to grow by offering its existing products to the current market. This strategy will be used to cover all the objectives established: to increase sales, it will try to sell its current range of products to customers from competing companies, as it has already started to do after the crisis, taking clients from competing companies that have closed. Besides, to keep customer satisfaction and increase knowledge about MKM, strong communication actions will be done.

In order to complement the market penetration strategy, product development can be used. I consider it is a good opportunity for MKM to grow, since as it has been explained in the macroenvironmental analysis, post-printing activities are only a 7% while printing activities represent a 61% of the total graphic industry activity. Consequently, I think a great way of increasing sales for MKM would be to start supplying products for the printing activities. Besides, according to the CEO, many clients have already asked about these kind of products, in order to obtain a complete solution from MKM, since printing and post-printing activities go together. Thus, by increasing their product line with complementary products such as printers or scanners they will also be able to maintain the satisfaction of their current clients. Nonetheless, although clients have already expressed their desire of buying those products, as product development is a bit risky, I think that some market research should be done. Therefore, I have developed an online questionnaire to be distributed to the customer database to assess their exact needs. (*Annex 5: Research questionnaire for the acceptance of new products*).

#### **4.2. Segmentation strategy**

The segmentation strategy will be differentiated in the marketing mix elements “product” and “communication” while it will be undifferentiated in the elements “price” and “distribution”. Concerning products, among the four offerings that the company has

(industrial machines, office machines, consumables and technical service), the offerings will vary depending on the segment (taking into account behavioral segmentation). Consumables and technical service will be offered to all the segments, as they are used by all of them. However, industrial machinery will be addressed only to book publishing companies and distributors, while office machinery will be addressed to all the segments except publishing companies. Regarding communication, traditional channels such as phone and fax will be used for the smallest and less updated clients. Others, such as trade fairs, are focused in bigger clients. Besides, some communication channels will be common for all the segments, but adapting the message to their different needs and interests. Finally, marketing elements “distribution” and “price” will be equal for all the segments.

### **4.3. Positioning strategy**

As shown in the internal analysis, MKM has a “more-for-more” positioning, offering higher benefits for higher prices. The main attributes that differentiate it are the quality and variety of products, offering a complete solution for post-printing activities, prompt delivery and commitment with its clients. Besides, all this is complemented by offering technical and advisory services, which generate added value for its clients, always looking to achieve the highest satisfaction. Taking all this into account, I think that the positioning strategy should not be changed, and this image should be strengthened through communication to ensure that the target market sees MKM as it wants to be seen.

### **4.4. Functional strategy**

-Product: Concerning the product strategy, MKM will try to grow its sales by continue offering its current range of products to its current clients plus complementary products of the ones it is already supplying, such as printers. This is, it will expand its product line in order to offer to its customers an even more complete range of products for their graphic activities. As its current suppliers also sell printers, photocopiers and scanners, and they have already offered them these products for reselling, the supply will not be a problem. As this is a bit risky, it will start offering them after analyzing a reasonable number of questionnaires sent about new product development, if the answers show a positive acceptance. Besides, they will sell them upon request, without having stock.

As it has been mentioned in the segmentation strategy, product offerings vary depending on the segment, as it is shown in table 11.

**Table 11: Product offerings by segment**

	S1: Book publishing companies	S2: Distributors	S3: Copy shops	S4: Municipalities and private offices	S5: Education centers	S6: Individual final clients
Consumable	✓	✓	✓	✓	✓	✓
Technical service	✓	✓	✓	✓	✓	✓
Industrial machinery	✓	✓				
Office machinery		✓	✓	✓	✓	✓

Own elaboration.

-Price: The price strategy will not be changed. As it has already been explained, its prices are higher than the prices of its main competitors, but its satisfied clientele is willing to pay them because they consider it worthwhile. Prices are set taking products' cost (of producing or buying them) plus a margin that depends on the market competition of each product. Moreover, they will continue offering technical and advisory services as a way of offering higher value to their customers, agreeing a symbolic price, as the aim of these services is not making profits but offering a greater experience to their clients. Nonetheless, while trying to introduce new products, some promotions can be made.

-Distribution: No change will be made in this area since MKM has strength in its distribution system: it has a loyal relationship with DHL for national distribution and with Transnatur and Rhenus for international one. Besides, having a fixed transport rate for the whole year with them, allows MKM to forecast its distribution expenses more easily. Finally, prompt delivery is one of the outstanding attributes of MKM, offering delivery within 24 hours in national territory. Moreover, it has two warehouses: one in Navarra and the other one in Madrid, which allows it to better distribute its products all around Spain.

-Communication: The communication channels MKM will use are the current ones: traditional ones such as phone calls, fax and commercial visits for the less updated clients and trade fairs, ads in sectorial magazines and digital marketing tools such as mail, webpage and Facebook and YouTube. As their activity in these social networks is low we will try to increase it. Besides, as most of their clients are businesses, a profile in LinkedIn will be created, which is a business-oriented social network, to better interact with them. Digital marketing will be completed with newsletters and a Google AdWords campaign.

As it has been mentioned in the segmentation strategy, communication will be different among segments, using more traditional channels for the less updated clients, while using others more sophisticated for bigger ones. Besides, some channels will be common to all

types of clients but adapting the message depending on their needs. In table 12 we can see an example of some of the channels and their target market. However, here the segmentation is more complicated than in products, since there are many exceptions. For example, a copy shop may have LinkedIn, but in the table we find the general rule.

**Table 12: Communication channels' examples by segment**<sup>7</sup>

	S1: Book publishing companies	S2: Distributors	S3: Copy shops	S4: Municipalities and private offices	S5: Education centers	S6: Individual final clients
Traditional channels	✓	✓	✓	✓	✓	✓
Trade fairs	✓	✓	✓			
LinkedIn	✓	✓		✓	✓	
Facebook			✓			✓

Own elaboration.

## 5. DEFINITION OF ACTION PLANS

Apart from the marketing actions MKM already does, new ones are proposed to achieve the objectives set (Table 13). Then, an extended explanation of each of them is given.

**Table 13: Action plans**

Actions	Objectives covered	Person in charge	Start	End	Cost
1.Social Networks	The 3 objectives	Marketing responsible	01/08/2016	31/07/2017	0€
2.Newsletters	Increase sales and satisfaction	Marketing responsible+ Sales Agents	01/08/2016	31/07/2017	0€
3. Showrooms	Increase sales and satisfaction	Marketing Responsible + Administrative Department	01/08/2016	09/09/2016	300€
4.Google AdWords	Increase sales and knowledge	Marketing responsible	01/08/2016	31/07/2017	880€
5.Customer questionnaires	The 3 objectives	Sales Agents	01/08/2016	31/07/2017	0€
6.Hire new marketing assistant	The 3 objectives	CEO	01/10/2016	No ending date	24,000€

Own elaboration.

### 5.1. Social networks

- Explanation: MKM already has a Facebook profile and publishes videos of its production process in YouTube. However, it is not very active in these profiles. In fact, the last publication in its Facebook is from one year ago (checked on April 2016). So their presence in these social networks will be reactivated, since having a profile but do not interacting with followers does not generate any positive effect. Besides, as most of its clients are businesses, a LinkedIn profile will be created to better interact with them and also create a great network with suppliers and being in contact with potential business clients.

<sup>7</sup> Not all the channels are included because it is more difficult to predict which segments will use them. For example the YouTube channel.

- Objective covered: Presence in social networks will help MKM to cover the three set objectives. They will be more visible for potential customers and will be in constant contact with its current ones, keeping them satisfied and hopefully leading to higher sales.

- Target market: Social networks can help to arrive to all type of publics and the messages included in all of them will be similar. However, LinkedIn will be more focused on clients such as book publishing companies, distributors and companies that look for office machines. And Facebook will try to arrive to individual final clients and small copy shops.

- Person in charge and specific tasks: The Marketing responsible will post Facebook and LinkedIn publications weekly and will answer to comments daily. Besides, once a month he will post a video about new products or the production process in YouTube.

-Execution time and budget: The 1<sup>st</sup> of August of 2016, the new LinkedIn profile will be created and the new connections will start to be done. Moreover, new content to be included in Facebook and YouTube will start to be prepared. In August 2017, a final evaluation of this action will be done, continuing its activity if it has been successful or trying to change the messages published if the results are not satisfying. This action will not imply extra costs since social networks are free.

## **5.2. Newsletters**

- Explanation: Monthly newsletters will be sent via mail to MKM's segmented customer database in order to maintain a regular communication with them. These newsletters will contain the latest news about products, events and interesting facts of the market. I think sending newsletters is quite useful as it is a cheap way of promoting the company and it increases loyalty and satisfaction thanks to direct and custom-made communication.

- Objective covered: By sending newsletters with news adapted to the different segments, current customers' satisfaction will be maintained, leading to an increase in sales.

- Target market: These newsletters will be sent to the current customer database of the company. As explained in *point 3.2. Segmentation strategy*, product offerings are differentiated depending on behavioural segmentation. Thus, variations will be done to the newsletters to adapt to the needs of each segment. This is, some common news will be included, but information about industrial machines will be sent only to book publishing companies and distributors, while news about office machines will not be sent to the first segment.

- Person in charge and specific tasks: This action will be done by the marketing responsible helped by the sales agents. As the salespeople are the ones who have constant relation with

clients, they will give information about clients' interests to the marketing responsible the first week of each month and then, the second week of each month he will write the news that best suit those interests and send the newsletters.

-Execution time and budget: The first newsletter will be sent in August 2016, in order to communicate the latest news to increase knowledge about its products for the starting of the school year in September, which is a month where the activity of MKM is reactivated. Every month a newsletter will be sent until July 2017. If MKM considers that this action is useful, it will continue sending them to its segmented customer database. This action will not need extra budget since they are sent via mail.

I have designed an example that can be used as a template by MKM for future newsletters.

**Figure 10: Newsletter design proposal**



Own elaboration.

### **5.3. Organize showrooms**

- Explanation: Organizing showrooms is a perfect way of showing clients the last innovations. So, with the consumables and machines that they have in stock in their warehouses, showrooms will be organized in their infrastructures located in Noáin.

- Objective covered: This action covers the objectives of maintaining customer satisfaction by showing their new products in person, leading to an increase of sales.

- Target market: All the customer database will be informed about the celebration of these showrooms. But it is true that bigger clients may see their products in the trade fairs to which MKM assists, so it is more probably that local smaller clients that do not have the possibility of going to trade fairs will assist to these smaller showrooms.

- Person in charge and specific tasks: The marketing responsible will organize which products will be shown and he will send a mail to the customer database or will include the information about the event in the newsletter of that month. As well, the administrative department will contract the catering service for the lunch that will be offered in the event.

- Execution time and budget: Showrooms will be organized once a year at the beginning of the school year. Thus, the preparation of the first one will be during August 2016, organizing the products to show, the layout and the lunch to be offered. Once everything is prepared, it will be celebrated the first week of September to show the latest products for the starting of the school calendar. The cost of this action is just the cost of the catering services, which will be around 300€. In the future, if new innovations are introduced, there exists the possibility of organizing more in other time of the year.

### **5.4. Google AdWords**

- Explanation: I consider very useful investing in SEM (Search Engine Marketing) in order to increase the visibility of their webpage to be more reachable to potential customers. This will be done using Google AdWords, a very useful tool in order to be seen by possible customers at the moment they are searching in Google for the products offered by MKM.

- Objective covered: This action will help MKM to cover two objectives: increase knowledge about it by appearing in Google when people search their products and consequently, increase sales.

- Target market: The segments to which this action is directed are the same as the ones it currently serves but focusing on those customers inside these segments that still do not know MKM and do not buy their products.



- Person in charge and specific tasks: The marketing responsible will prepare all the ads and keywords and will check them daily to eliminate the ones not working and create new keywords depending on how the campaign is evolving.

-Execution time and budget: This action will start the 1<sup>st</sup> of August; however, the AdWords campaign will start running the 1<sup>st</sup> of September. This is, some Google AdWords tools will be used during August such as the “Ad preview and analysis”, which will help to see which ad appears using different keywords, helping MKM to select the most adequate keywords. Then, the campaign will start running the 1<sup>st</sup> of September till the 31<sup>st</sup> of July 2017. We will start with a budget of 80€/month. As the campaign will last 11 months, the cost of this action will be 880€. At the end of the Marketing Plan, MKM will see if it is necessary to invest more money, reduce it or eliminate this action, depending on the results obtained.

The AdWords campaign that I propose is formed by 4 campaigns and 9 AdGroups. All the campaigns are focused in the Spanish market since most of their clients are in Spain.

**Table 14: Examples of the keywords that can be included in each AdGroup<sup>8</sup>**

<b>1.Machinery</b>	<b>2.Consumables</b>	<b>3.Action</b>	<b>4.Competitors</b>
<b>1.Binding machinery</b> +maquinaria+para+encuadernar [maquinaria encuadernación] “máquinas encuadernar”	<b>3.Binding</b> +colas+de+encuadernar [espiral metálico] “espiral plástico”	<b>6.Online purchase</b> +tienda +online +encuadernación [comprar maquinaria post-impresión]	<b>8.MKM</b> MKM +MKM+comercial
<b>2.Other machinery</b> “máquinas de hender” barnizadoras plastificadoras	<b>4.Laminating</b> +bobinas +de +laminar “fundas plastificar”	<b>7.Online selling</b> “Venta online espirales encuadernar” +Venta +online +postimpresión	<b>9.Competitors</b> Yosan OPQ systems DHP Profi
	<b>5.Others</b> +alambre+para+grapapar [portada cuaderno] “colgador calendario”		

Own elaboration.

Each keyword will use [exact] matching, “phrase” matching and +modified +broad +matching in order to increase the efficiency of the search. Some of the keywords used have been obtained using the tool Google Keyword Planner. The campaigns will only appear in the search network, which is the most basic way of using AdWords and not the display network, which would increase the budget spent.

In Figure 11 it can be seen an example of ad that I propose to include in the campaign.

<sup>8</sup> The name of the 4 campaigns and 9 AdGroups are in English because this project is written in English but the example of keywords proposed are in Spanish since most of their clients will search in Google those words in Spanish and thus, those are some of the words that MKM should include in its campaign.

**Figure 11: Google Ad proposal**

A screenshot of a Google Ad proposal. The text is enclosed in a thin black border and reads: "Maquinaria encuadernación - La mejor opción para post-impresión." followed by "www.mkm.es" and "Encuadernación de la mejor calidad!".

Own elaboration.

### **5.5. Elaboration of customer questionnaires**

- Explanation: Two questionnaires will be done and sent. The first one serves as a market research to see if clients will accept new products, as explained in *Point 4.1. and annex 5*. The second one will measure customer satisfaction as a control mechanism. Programs SPSS and SPAD will be used to analyse the relationship among variables and obtain conclusions. (*Annex 6: Questionnaire for measuring customer satisfaction*)

- Objective covered: The first questionnaire will be used to see if the strategy of product development can be done to cover all the objectives set. The second questionnaire will only cover the objective of maintaining MKM's customer satisfaction by a 90%.

- Target market: All the segments of the current customer database are covered.

- Person in charge and specific tasks: Sales agents will send the questionnaires, as they have daily contact with clients and they will analyse the answers, showing the conclusions to the marketing responsible, which will make marketing decisions depending on those answers.

- Execution time and budget: The first questionnaire will be sent in August 2016, to see if it is worth it to invest in product development. The questionnaire to measure satisfaction will be sent in August 2016, December 2016 and in August 2017 to see if the satisfaction is maintained. This action will not imply any extra cost since it will be sent via mail.

### **5.6. Hire new marketing assistant**

- Explanation: Finally, as it has been explained in the internal analysis, MKM only has one marketing responsible and it usually needs help from other departments. Besides, if this Marketing Plan is implemented, he will need even more help to develop the proposed actions successfully. Thus, it is necessary to hire a marketing assistant and a job offer will be published in InfoJobs, as it is the web where MKM always publishes its job offerings.

- Objective covered: Hiring a new employee for the marketing department will help to better manage all the marketing actions, which cover all the objectives.

- Target market: This new marketing assistant will help the marketing responsible to do all the established actions, so this action covers all the segments.

- Person in charge and specific tasks: The CEO will do this task since MKM does not have a Human Resources department. He will do the interviews, consulting to the marketing responsible his preferences about the new employee. Then, the first two weeks after the new worker is incorporated, the marketing responsible will explain him his tasks, which are the ones shown in the job ad example of Figure 12.

-Execution time and budget: A job offer will be put in InfoJobs the 1<sup>st</sup> of August of 2016, starting the interviews when the first job applications are received, forecasting that the new employee will start at the end of September or beginning of October. Regarding the extra costs, this action will mean 24,000€ of extra expenses/year.

In Figure 12 it can be seen the advertisement I have developed as an example.

**Figure 12: Proposal of job offering in InfoJobs**

The screenshot shows a job advertisement on the InfoJobs website. The job title is "Asistente de Marketing". The employer is "MKM Comercial S.L.", located in Pamplona, Navarra. The ad includes a list of requirements: "Salario no disponible", "Experiencia mínima: al menos 1 año", and "Tipo de oferta: de duración determinada, jornada parcial - indiferente". The description states that the company provides machinery and consumables for the graphic arts sector and lists several tasks: collaborating on newsletters, managing Google Adwords, social media, and marketing budgets. There are also social sharing icons and a button to "Inscribirme a esta oferta".

Own elaboration.

In table 15 it can be seen the period of time needed for the different actions' execution.

**Table 15: Gantt Chart: Actions' execution timetable**

Description	Start	End	2016					2017						
			Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.
Social Networks	01/08/2016	31/07/2017	→											
Newsletters	01/08/2016	31/07/2017	→											
Showroom	01/08/2016	09/09/2016	→											
AdWords preparation	01/08/2016	31/08/2016	→											
AdWords campaign	01/09/2016	31/07/2017		→										
Job interviews	01/08/2016	15/09/2016	→											
New worker	01/10/2016	No end		→										
Customer questionnaire	01/08/2016	31/07/2017	→					→						→

Own elaboration.

## 6. MARKETING PLAN BUDGET

**Table 16: Total Marketing Plan cost**

Actions	Social Networks	Newsletters	Showrooms	AdWords	Questionnaires	New worker	TOTAL
€/month	0€	0€	300€/show	80€/month	0€	2,000€/month	2,380/month
Total cost	0€	0€	300€	880€	0€	24,000€	25,180€

Own elaboration.

**Table 17: Estimated income**

<b>+Revenues</b>	<b>Forecasted sales level: 1,911,247€</b>
<b>-Marketing expenses</b>	Annual Ad contract with the magazine Interempresas: (1,500€)
	Trade fair stands (3,000€)
	Webpage maintenance (2,000€)
	Merchandising gifts budget (1,000€)
	Google AdWords campaign (880€)
	Showroom (300€)
	Google Analytics (0€)
	Social Networks (0€)
	Newsletters (0€)
	InfoJobs pack of 6 ads (950€)
	Customer questionnaires (0€)
	<b>Total marketing expenses: (9,630€)</b>
<b>-Fixed expenses</b>	Personal expenses (with new marketing assistant) (472,911€)
	Materials (798,997€)
	Fixed assets' amortization (118,658€)
	<b>Total fixed expenses: (1,390,566€)</b>
<b>-Other expenses</b>	<b>Other operating expenses: not available</b>
<b>TOTAL INCOME</b>	<b>511,051€</b>

Own elaboration.

In table 17 is shown the sales level expected to be achieved thanks to the Marketing Plan, which is a 15% higher than the latest data from SABI ( $1,661,954 \times 1,15 = 1,911,247\text{€}$ ).

Moreover, I wanted to differentiate marketing expenses from the rest, in order to show that with a small budget, it is possible to do great things for the company. Total marketing expenses account for 9,630€, including actions that the company already does (annual ad contract with magazine Interempresas, trade fair stands, merchandising gifts' budget, webpage and InfoJobs publications) and the new ones incorporated in the Marketing Plan (Showroom, AdWords campaign, newsletter, social networks and questionnaires).

Then I have taken the rest of the expenses from the latest data of SABI and in personal expenses I have included the expense of the new marketing assistant that will be hired ( $448,911 + 24,000 = 472,911\text{€}$ ). Other operating expenses were not available so it is not possible to measure the exact net income but at least with the information available we can predict that the impact of the Marketing Plan in the company is going to be positive.

## **7. EXECUTION AND CONTROL**

In this point we will see how this Marketing Plan will be executed and which control mechanisms will be used to check that there are not deviations from the set objectives.

As it has been shown in *Point 6*, the extra budget needed to carry out de Marketing Plan is just 25,180€ and I consider it is worth to assume these extra costs because if all the actions proposed are done, the set objectives will be achieved. Concerning the execution, we will follow the timetable shown in *Point 5*. The actions will start in August 2016 in order to be ready for September, a month in which the activity is reactivated coinciding with the start of the school year, being the marketing department the main responsible, always supported by the commercial department and the CEO.

Moreover, for controlling if the objectives have been achieved, different control mechanisms will be used. It is important to do a regular monitoring, so every month a meeting of the marketing and commercial departments and the CEO will take place. Besides, at the end of the year (December 2016) an intermediary evaluation will be done and another one at the end of the Marketing Plan, in August 2017. In table 18, the principal control mechanisms to be used for each objective are shown.

**Table 18: Control mechanisms**

Objectives	Control mechanism	Dates	Person in charge
1. Achieve total sales of 1,911,247 € by the end of the Marketing Plan	Measure <b>sales level</b> and compare it	August 2016, December 2016, August 2017	Commercial Department
2. Maintain MKM's customer satisfaction by a 90%	Measure its customers' <b>purchase level</b> and compare it	August 2016, December 2016, August 2017	Commercial Department
	Customer <b>questionnaire</b>	August 2016, December 2016, August 2017	Commercial Department
3. Increase knowledge about MKM by an increase of a 50% of the visits to its webpage and social network interactions	Interaction in social networks: <b>likes</b> in FB, <b>connections</b> in LinkedIn, <b>views</b> in YouTube	Monthly monitoring	Marketing Department
	Google AdWords tools: number of <b>clicks</b> , <b>impressions</b> , <b>cost per click</b> ...	Weekly to see the efficiency of each keyword and ad to not waste money in the inefficient ones eliminating them as soon as possible	Marketing Department
	Google Analytics: Number of <b>visits</b> , <b>bounce rate</b> ...	Weekly since it is very related to the AdWords campaign	Marketing Department

Own elaboration.

Concerning the control of the objective of achieving a sales volume of 1,911,247€, the sales level will be measured before, in the middle and at the end of the Marketing Plan. Probably in December 2016, the effects will not be very high, but the first achievements will be seen.

Secondly, in order to measure if MKM's customer satisfaction has been maintained by a 90%, two mechanisms will be applied. Firstly, the level of purchases of the clients' database will be analysed before, in the middle and at the end of the Marketing Plan. Secondly, a questionnaire will be sent also before, in the middle and at the end to see if their satisfaction has been maintained. (*Annex 6: Questionnaire for measuring satisfaction*)

Finally, in order to measure if knowledge about MKM has increased, social network interactions will be analysed monthly. Before starting the Marketing Plan, all the parameters shown in Table 18 will be checked to be able to compare the increase in each of them. Besides, the efficiency of the AdWords campaign will be controlled checking some parameters such as number of clicks in their ads and number of impressions. In Annex 8 it can be seen the different tools provided by Google AdWords that can be used as control mechanisms. (*Annex 7: AdWords tools that can be used as control mechanisms*)

As well, Google Analytics will be used to see the number of visits to its web, which content people are looking at and bounce rate (% of visitors who enter in the site and immediately abandon it without interacting) to show how its webpage is performing. So with these tools, MKM will control if its campaign is working and if more people know about them and are entering in their web. All these parameters will be controlled weekly considering a

success an increase of 50% in its daily webpage visits. Currently they receive an average of 60-65 visits daily, around 1800 visits per month as it can be seen in Annex 9, so achieving more than 90 visits per day will be taken as a success. (*Annex 8: Google Analytics, current number of visits.*)

## **8. CONCLUSIONS**

This project has consisted in the development of a Marketing Plan for the company MKM Comercial S.L. I have chosen to do a Marketing Plan as my final project because I consider it a great way of applying most of the concepts learned in marketing during my career. Besides, I have been able to apply other things that I am learning outside the university, such as using Google AdWords and design programs like Indesign to develop a newsletter.

It has been interesting to analyse the graphic industry, the one in which MKM operates, and realize that although it is being threatened by the emergence of digitalization, there are still opportunities to grow in it. It was a challenge for me to set the strategies and actions that will try to help MKM emerge stronger from the crisis and grow in a complicated environment, but I think that if they apply them, they will be able to grow successfully.

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## 10. ANNEXES

### Annex 1. Company results and ratios calculations (Calculations: own elaboration)

BALANCE SHEET	31/12/2013	31/12/2012
Non-current assets	453,075	552,556
Intangible fixed assets	113	113
Tangible fixed assets	452,962	534,443
Other fixed assets	n.d.	18,000
Current assets	1,284,698	1,090,777
Inventory	363,842	210,532
Accounts receivable	577,446	479,937
Other current assets	343,409	400,308
Cash	340,083	367,225
<b>Total assets</b>	<b>1,737,773</b>	<b>1,643,333</b>
<b>Equity</b>	<b>667,175</b>	<b>664,556</b>
Share capital	3,005	3,005
Other equity	664,170	661,551
Non-current liabilities	404,183	505,943
Long –term accounts payable	404,183	505,943
Other non-current liabilities	0	0
Provisions	n.d.	n.d.
Current liabilities	666,415	472,834
Financial debts	n.d.	n.d.
Accounts payable	332,918	159,798
Other current liabilities	333,496	313,036
<b>Total liabilities + equity</b>	<b>1,737,773</b>	<b>1,643,333</b>

Own elaboration. Source: SABI

<u>Company's structure:</u>	2013	2012
<b>Guarantee ratio</b> = $\frac{\text{Total assets}}{\text{Total liabilities}}$	$\frac{1,737,773}{1,070,598} = 1,62$	$\frac{1,643,333}{978,777} = 1,68$
<b>Current ratio</b> = $\frac{\text{Current assets}}{\text{Current liabilities}}$	$\frac{1,284,698}{666,415} = 1,93$	$\frac{1,090,777}{472,834} = 2,3$
<b>Indebtedness ratio</b> = $\frac{\text{Total liabilities}}{\text{Equity}}$	$\frac{1,070,598}{667,175} = 1,6$	$\frac{978,777}{664,556} = 1,47$
<b><u>Profitability:</u></b>		
<b>Economic prof. (ROA)</b> = $\frac{\text{Net income}}{\text{Total Assets}}$	$\frac{6,026}{1,737,773} * 100 = 0.35\%$	$\frac{5,347}{1,643,333} * 100 = 0.33\%$
<b>Financial prof. (ROE)</b> = $\frac{\text{Net income}}{\text{Equity}}$	$\frac{6,026}{667,175} * 100 = 0.90\%$	$\frac{5,347}{664,556} * 100 = 0.80\%$

Own elaboration. Source: Archel P., Lizarraga F., Sánchez S., Cano M. (2012). Estados Contables. Elaboración, análisis e interpretación. 4<sup>th</sup> Edition. Ediciones Pirámide. Madrid

Annex 2. Two examples of magazine advertisements



graphispag 2011  
Recinto Gran Via - Pabellón 3  
Stand C-601

¿ARRUGAS?  
¡PLIEGAS!

HENDIDORAS PROFESIONALES DE  
ALTA CAPACIDAD Y PRECISIÓN  
HENDIDOS DE CALIDAD PARA  
PLEGADOS PERFECTOS

Bacciotini  
GROUP

MKM

Telf. 948 24 99 44 - mkm@mkm.es

www.mkm.es



¿Mate, Brillo....?

Con la línea KISUN de MKM, solución total para el barnizado UV

MKM

Telf. 948 24 99 44 - mkm@mkm.es

www.mkm.es

Source: MKM Comercial S.L.

Annex 3. Exclusive sales agreement with Vivid Laminating Technologies Ltd

**Vivid Laminating Technologies Ltd**

t: +44 (0) 1530 510946  
f: +44 (0) 1530 510979  
e: sales@vivid-online.com  
w: www.vivid-online.com

St Georges House  
Whitwick Road  
Coalville  
Leicestershire  
LE67 3FA  
England

18<sup>th</sup> December, 2012

Mr. Carlos  
MKM  
Pol. Id. Talluntze C/A No.8,  
31110 Noain,  
Navarra,  
Spain.

Dear Carlos,

I am writing to confirm that MKM have an exclusive 12 months Agreement with Vivid for the Matrix Single Sided Laminating systems.

The Agreement is effective from 1<sup>st</sup> January, 2012 to 31<sup>st</sup> December, 2013.

Yours sincerely,



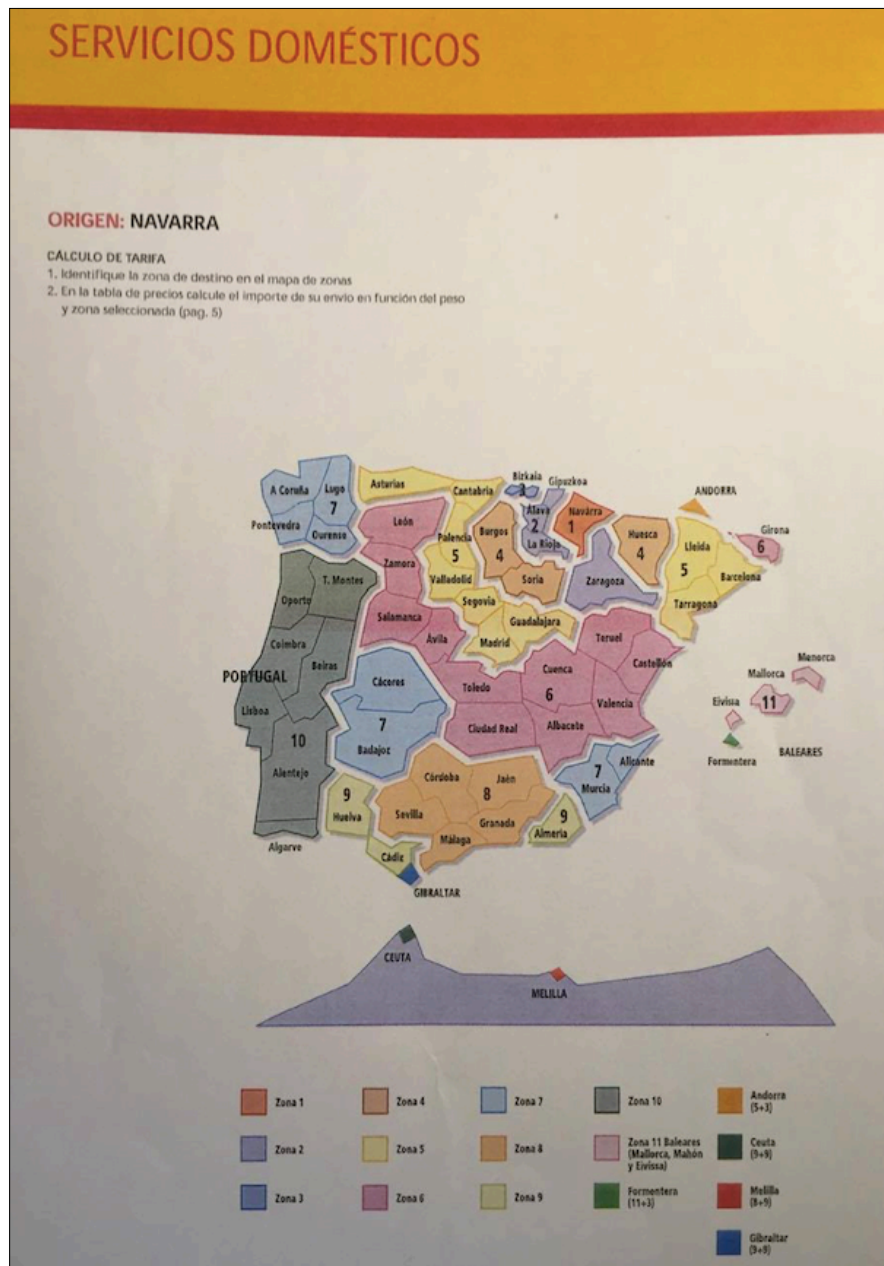
  
**Export Manager**



Environmental Management ISO 14001 Registered Company  
Registered in England and Wales No. 2063018

Source: Document provided by MKM Comercial S.L.

## Annex 4. Transport rate specifications from DHL



Source: Document provided by MKM Comercial S.L.

## Annex 5. Research questionnaire for the acceptance of new products

This is the online questionnaire that MKM's client database will receive:

<http://goo.gl/forms/TDAHLZr8UhaaRZ5s1>

It is very brief and concise. I have used multiple-choice and Likert scale questions from 1 to 7, as well as a yes-no question to obtain the most precise information. At the beginning a brief explanation is given. After receiving the answers, programs SPSS and SPAD will be used to analyze the relationship among variables and obtain conclusions about if is worth starting selling some of the products and to which segment of clients.

<p>As you may know, MKM is a company that only sells products for the post-printing activities. After a deep analysis of the market and also trying to respond to the petition of some of our clients, we are considering starting selling products for your printing activities. But we would like to ensure firstly which are your exact needs.</p> <p>Brief explanation:          If you answer in the first question: No, then you just have to answer question 4.          If you answer in the first question: Yes or I do not know, then you have to answer all the remaining questions.</p> <p><b>1. If MKM started offering products for the printing process, would you consider the possibility of buying them? (You can select only one)</b></p>							
1.1. Yes							
1.2. No							
1.3. I do not know							
<p><b>2. If yes, which products would you buy? (on a scale from 1 to 7: 1 is strongly disagree, 7 is strongly agree).</b></p>							
	1	2	3	4	5	6	7
2.1. Office printers							
2.2. Industrial printers							
2.3. Photocopiers							
2.4. Scanners							
2.5. 3D printers							
2.6. Printing ink							
<p><b>3. Which are the attributes you like from our current products? (You can select more than one)</b></p>							
3.1. Quality							
3.2. Price							
3.3. Durability							
3.4. Efficiency							
3.5. Design							
3.6. Variety							
3.4. Others							
Specify:							
<p><b>4. Which type of our clients are you?</b></p>							



4.1. Book publishing company	
4.2. Distributor	
4.3. Copy shop	
4.4. Municipality or private office	
4.5. Individual final client	
4.6. Education centers	

Own elaboration.

## Annex 6. Questionnaire for measuring customer satisfaction

This is the online questionnaire that MKM's client database will receive:

<http://goo.gl/forms/dSu5MBsADuvxRdYI3>

I have used multiple-choice and Likert scale questions from 1 to 7 to obtain the most precise information. After receiving the answers, programs SPSS and SPAD will be used to analyse the relationship among variables and obtain conclusions about customers' satisfaction.

<b>1. For how many years have you been buying MKM's products? (You can select only one)</b>							
1.1. Less than 1 year							
1.2. Between 1 and 5 years							
1.3. Between 5 and 10 years							
1.4. More than 10 years							
<b>2. These are the reasons why you buy from MKM (You can select more than one)</b>							
2.1. Quality							
2.2. Price							
2.3. Prompt delivery							
2.4. Technical service							
2.5. Variety							
2.6. Efficiency							
2.3. Personalized treatment							
2.7 Others							
<b>3. Grade the level of satisfaction you have with the following aspects (on a scale from 1 to 7: 1 is strongly dissatisfied, 7 is strongly satisfied)</b>							
	1	2	3	4	5	6	7
3.1. Employees professionalism							
3.2. Quality							
3.3. Price-quality relation							
3.3. Delivery							
3.4. Technical service							
3.5. Product performance							
3.6. Product variety							
3.7. Webpage performance							
<b>4. How likely are you to recommend our products to other companies? (On a scale from 1 to 7: 1 is not at all likely, 7 is strongly likely)</b>							

1	2	3	4	5	6	7
<b>5. How likely are you to buy new products from MKM? (On a scale from 1 to 7: 1 is not at all likely, 7 is strongly likely)</b>						
1	2	3	4	5	6	7
<b>6. Grade your overall level of satisfaction with MKM (On a scale from 1 to 7: 1 is strongly dissatisfied, 7 is strongly satisfied)</b>						
1	2	3	4	5	6	7
<b>7. Which type of client are you?</b>						
8.1. Book publishing company						
8.2. Distributor						
8.3. Copy shop						
8.4. Municipality or private office						
8.5. Individual final client						
8.6. Education centers						

Own elaboration.

### **Annex 7. AdWords tools that can be used as control mechanisms**

I have introduced the example of the AdGroup “Binding machinery” and some of the keywords that will be used for this AdGroup. In the photo shown in the following page, it can be seen the different variables that will be used as control mechanisms to regulate the efficiency of the campaign, such as the number of clicks, impressions, click through rate (CTR), the cost per click (CPC) of each keyword and the position in which the ad appears (the campaign has not been activated, that is why all the values are 0):

Grupo de anuncios: Maquinaria encuadernación

Activado Tipo: Estándar Ofertas de grupo de anuncios (CPC máx.) \$1.00 Editar

Configuración Anuncios Palabras clave Públicos Extensiones de anuncio Dimensiones

Palabras clave Palabras clave negativas Términos de búsqueda

Todas las palabras clave excepto las retiradas Segmento Filtro Columnas Buscar palabras clave Ver mi historial de cambios

Clics vs CTR Semanalmente

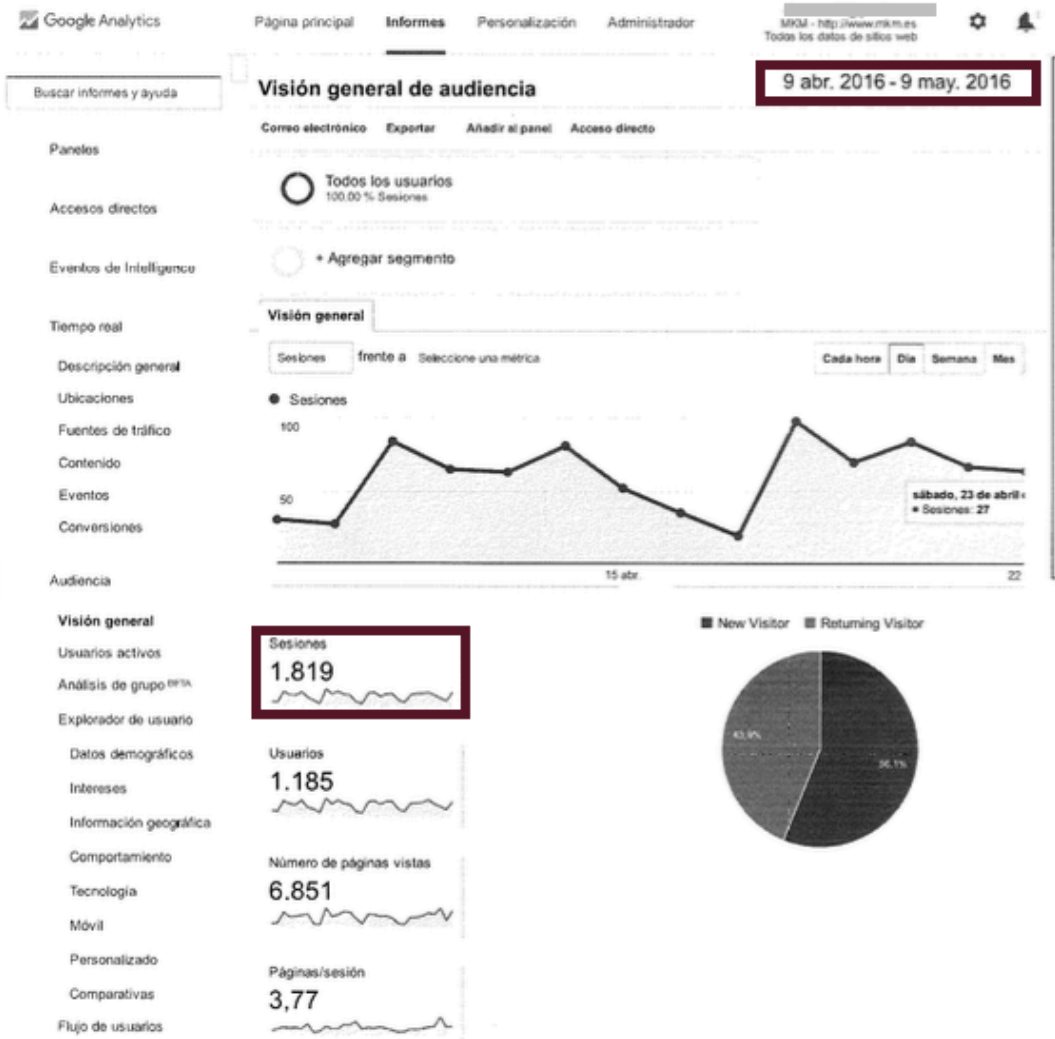


+ PALABRAS CLAVE		Editar	Más información	Términos de búsqueda	Estrategia de puja	Automatizar	Etiquetas					
<input type="checkbox"/>	<input type="checkbox"/>	Palabra clave	Estado	CPC máx.	Clics	Impr.	CTR	CPC medio	Coste	Posic. media	Etiquetas	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	"maquinaria encuadernación"	Volumen de búsquedas bajo	\$1.00	0	0	0.00 %	\$0.00	\$0.00	0.0	-	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	[maquinaria para encuadernar]	Apta	\$1.00	0	0	0.00 %	\$0.00	\$0.00	0.0	-	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	"maquinaria para encuadernar"	Apta	\$1.00	0	0	0.00 %	\$0.00	\$0.00	0.0	-	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	maquinaria encuadernación	Apta	\$3.00	0	0	0.00 %	\$0.00	\$0.00	0.0	-	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	+maquinaria +para +encuadernar	Apta	\$3.00	0	0	0.00 %	\$0.00	\$0.00	0.0	-	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	+maquinaria +encuadernación	Apta	\$3.00	0	0	0.00 %	\$0.00	\$0.00	0.0	-	

Own elaboration.

**Annex 8. Google Analytics- Current number of daily visits (April-May 2016)**

In the following page, Google Analytics parameters can be seen. Concretely, between 9<sup>th</sup> April and 9<sup>th</sup> May 2016, a total of 1,819 visits have been received, this is, 60 visits/day on average. Looking at the information provided by Google Analytics, MKM will be able to measure if the objective of increasing daily visits to its webpage by a 50% has been achieved.



Source: data provided by MKM.