

Marketing Plan:

Written Report

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PART I: Executive Summary

Mega Brands, a well-known toy construction company, seeks to launch two new services, Legacy Sets and the Official Online Store, to meet the growing consumer demand and compete effectively in the toy industry.

The **Legacy Sets** service allows customers to purchase current and retired sets directly from the official online store, providing a unique opportunity to acquire popular and sought-after sets once available only in physical stores. This service aims to offer the exclusive and nostalgic experience of owning retired sets, attracting collectors and enthusiasts.

The **Official Online Store** provides customers with a convenient and user-friendly platform to purchase current and legacy sets. It features a comprehensive catalog, easy navigation, secure payment options, and reliable customer support, enhancing the overall shopping experience.

Mega Brands plans to price its legacy sets reasonably and competitively, considering factors such as popularity, rarity, and market demand. The official online store leverages the direct-to-consumer model, optimizing pricing and eliminating intermediaries.

Promotion of the Legacy Sets and Official Online Store will be conducted through online advertising, social media campaigns, email marketing, and collaborations with influencers or toy enthusiasts, with a focus on emphasizing the exclusivity, authenticity, convenience, and wide selection of sets available for purchase.

This marketing plan lays out a comprehensive marketing research process to support the company in launching these new services. The process involves defining the problem, developing a research plan, collecting and analyzing information, and making informed decisions based on the research findings.

Financial planning is crucial for the successful implementation of these services. Mega Brands plans to conduct a break-even analysis, sales forecast, and expense forecast to assess the financial viability and profitability of the new services.

Mega Brands will adopt a matrix organization to facilitate the successful implementation of these initiatives, with specific teams established for marketing research, pricing strategy, brand and positioning, online store design and development, digital marketing strategy, customer support, and performance monitoring and analysis.

Contingency planning will be conducted to mitigate potential risks and impacts related to the marketing plan. This includes creating a policy statement, conducting a business impact analysis, implementing preventative controls, developing contingency strategies, testing and training employees, and maintaining the plan.

In conclusion, Mega Brands' marketing plan for the Legacy Sets and the Official Online Store is comprehensive, data-driven, and customer-centric. It reflects the company's commitment to innovation, customer satisfaction, and growth in the competitive toy industry.

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PART III: Situation Analysis

Market Summary

Mega Brands Inc., a subsidiary of Mattel, is a leading Canadian toy company specializing in the distribution of construction toys, puzzles, and craft-based products (Business Wire, 2014). Their flagship brands, Mega Bloks and Mega Construx, cater to different age groups and offer engaging play experiences. Mega Bloks, endorsed by Fisher Price, provides endless building possibilities for preschool builders, fostering early childhood development and imaginative play (Mega Bloks). Mega Construx, targeting older fans, offers immersive sets and highly poseable micro-action figures (Mega Construx).

Mega Brands focuses on innovation, authentic details, accessible value, and sustainability (About Us). They aim to provide continuous play opportunities for all ages and build a brighter future. Their products, including Mega Bloks and Mega Construx, are strong competitors to Lego, offering excellent value for money and imaginative sets suitable for various interests and age groups (Bento, 2023).

In terms of market demographics, Mega Brands' market comprises children, parents, collectors, and hobbyists who have an interest in construction building sets. Mega Bloks primarily targets preschool builders, while Mega Construx appeals to a broader age range with its detailed sets and figures. The brand offers a diverse catalog with popular licensed themes like American Girl, Barbie, Despicable Me, Halo, and Destiny (Mattel, 2018).

With a rich history of over 35 years in the toy industry, Mega Brands has continuously sought ways to bring creativity and help children grow, develop, and learn (History). The company has expanded its offerings over the years and positions itself as a significant player in the construction toy market. Mega Brands' commitment to innovation, value, and popular licenses contributes to its strong market presence and growth.

The market trend indicates a growing demand for nostalgia and the desire to acquire retired sets that hold sentimental value. Mega Brands can cater to this need by offering a wide range of retired sets for purchase.

With the introduction of a new service that allows consumers to purchase current and previously retired in-store sets directly from Mega Brands at a reasonable price, the company can leverage its reputation for quality and innovation to attract customers. By offering accessibility to retired sets, the service appeals to collectors, enthusiasts, and those looking for unique building experiences. Mega Brands can emphasize this service's convenience, affordability, and value proposition, highlighting Mega Brands Inc.'s commitment to providing authentic and engaging play experiences for children and collectors alike.

SWOT

Strengths:

- **Diverse range of products:** Through its two flagship brands, Mega Bloks and Mega Construx, Mega Brands has created an extensive portfolio of products to cater to its customers' different age groups and preferences.

- **Licensing and Partnerships for branded and popular characters:** Mega Brands has established partnerships and licensing agreements with popular franchises and characters such as American Girl, Barbie, Despicable Me, Halo, and Destiny (Mattel, 2018). Through its numerous collaborations with various brands and franchises, Mega Brands has built up an extensive history of products based on famous name brands (*Construction toys by Megabloks*), which enhance its product offerings and appeal to fans and collectors.
- **Focus on the environment:** Mega Brands emphasizes responsible recycling. From ensuring its products are made from more responsibly sourced materials to providing information on packaging to consumers on how to recycle its products to participating in Mattel's PlayBack toy takeback program where consumers can mail used Mega Brands products back where the toys can be processed and appropriately recycled (*Corporate Social Responsibility*).
- **Widespread distribution network:** The company's products are distributed in over 100 countries, allowing them to reach a global market and expand their customer base (*History*).

Weaknesses:

- **No official online store:** Mega Brands has no official online store; instead, it relies on Mattel's online platform to redirect customers to local or online retailers (*Mega Mattel Shop*). This dramatically hinders potential revenue, brand visibility, consumer convenience, and direct business-to-consumer and consumer-to-business interaction.
- **Limited global reach:** While Mega Brands products are distributed in many countries, their global presence is not as strong as some competitors. Expanding international reach could unlock additional growth opportunities.
- **Negative reputation due to lawsuits:** In the past, Mega Brands faced legal issues and negative publicity related to product recalls and safety concerns, which impacted their brand reputation (U.S. Consumer Product Safety Commission (CPSC), 2009).
- **No online resource displaying transparent company safety:** Mega Brands main website link to Mattel's product recalls, and they have the Health Canada Advisory displaying information based on the previously sold Mega Brands Magnetix Magnetic Building Sets. Unlike its major competitor Lego, no online resource displays the company's mission toward child safety measures and standards (Lego.com, *Product safety - sustainability*).

Opportunities:

- **Introducing unique products:** Mega Brands could explore opportunities to introduce innovative and unique construction toy products that differentiate them from competitors. By offering new play experiences, they can attract customers and drive further growth.
- **Enhanced consumer engagement:** Mega Brands could also explore creating an online platform and store where consumers could share stories, ideas, purchase products or even help create sets that could be turned into fan-favorite products.
- **Introduce a production and sale of retired sets service:** Currently, Mega Brands' lead competitor Lego produces sets that retire, but once the sets retire, many of them skyrocket in prices on non-Lego owned Business-to-Consumer (B2C) and Consumer-to-Consumer (C2C) e-commerce websites. Mega Brands could differentiate themselves

from Lego by introducing a system where previous in-store retired sets could be purchased personally from a Mega Brands online store at a reasonable price.

Threats:

- Intense competition: Mega Brands operates in a highly competitive market, facing competition from established players such as Lego. They need to continually innovate, differentiate their products, and strengthen their market position to withstand competition (Bento, 2023).
- Changing consumer preferences: Consumer preferences and toy trends can change rapidly. Mega Brands should stay up-to-date on market demands, adapt to evolving trends, and continue to deliver products that resonate with their target audience (Bento, 2023).
- Economic factors: Economic fluctuations and downturns can impact consumer spending on toys and entertainment products. Mega Brands should remain vigilant about economic conditions and adjust their strategies accordingly to maintain steady sales.

Competition

Mega Brands operates in an extremely competitive toy industry, particularly in the construction toy segment. Mega Brands faces competition from three different fronts:

1. **Major Building Block compatible construction toy companies.** Some of the leading competitors listed below:
 - Lego: The leading renowned Denmark construction toy company, and due to its extensive product range, global presence, and strong brand recognition make it Mega Brands' most significant competitor.
 - Cobi: A Polish building brick manufacturer that focuses on historical depictions of Tanks, Planes, Cars, and Ships (Team, 2022).
 - Cada: A globally well-known Chinese brand for its remote-control cars and trucks that is now becoming well-known for its building brick toys. Their sets focus on sets that can be remotely controlled, such as supercars, military, robots, and STEM-based educational sets (Team, 2022).
 - Sluban: A Hong Kong building brick company that focuses on military, construction, and city-themed sets (Schoon, 2022).
 - Kre-O: A South Korean building brick manufacturer that does original builds and licensed ones such as Transformers and Star Trek (Schoon, 2022).
2. **Non-Major Building Block compatible construction toy companies.** Some of the leading competitors listed below:
 - K'Nex: An American construction toy company that provides a similar construction type toy that uses rods and connectors, which allow consumers to build flexible molds such as skyscrapers, vehicles, and animals (Johnson, 2023).
 - LeapFrog: A popular educational entertainment company that offers a brand line known as LeapBuilders. LeapBuilders offers electronic building blocks that engage

children with educational sounds, phrases, and music for learning. Although incompatible, they resemble Mega Brands' toy line Mega Bloks.

3. **Non-construction toy companies.** Some of the leading competitors listed below:

- Hasbro: A major player in the toy industry, offering a wide range of toys. Some of their popular brands include Transformers, My Little Pony, Nerf, Play-Doh, and Monopoly (Hasbro | comparably).
- Bandai Namco: A Japanese entertainment company that produces toys, video games, and other entertainment products. Based on popular franchises like Gundam, Dragon Ball Z, and Tamagotchi (Chen, 2022).
- Jazwares, LLC: A subsidiary of Alleghany Capital Corporation, is a leading global toy manufacturer (Chen, 2023). Some of their popular brands include Pokemon, Cocomelon, Blippi, Fortnite, Call of Duty, and Micro Machines (Action figures: Kids toys: Collectibles: Toys online).
- ZURU Toy Company: An innovative and fast-growing toy company from New Zealand. Their popular brands are Bunch O Balloons, X-Shot, Rainbocorns, Robo Alive, Smashers, Metal Machines, and their construction toy series brand known as Max (Chen, 2023).
- Mattel and its other subsidiaries: Although Mattel acquired Mega Brands in 2014 (Mattel completes acquisition of Mega Brands 2014), Mattel and its other subsidiaries operate independently, targeting different segments of the toy market. Some of their popular brands include Barbie, Hot Wheels, Fisher-Price, and American Girl.

Product Offerings

The product offering for the retired sets purchase service includes current and previously retired sets from Mega Brands Mega Construx line.

Mega Construx has a rich history of creating building brick sets that have featured popular licensed characters from franchises like Assassin's Creed, Barbie, Destiny, Halo, Masters of the Universe, Narnia, Pirates of the Caribbean, Pokémon, SpongeBob SquarePants, Teenage Mutant Ninja Turtles and more (*Construction toys by Megabloks*). These sets provide fans and collectors with the opportunity to build and display their favorite characters and scenes.

Mega Brands' Legacy Sets service will cater to customers' nostalgic preferences and allow them to relive their favorite building experiences.

Distribution

Mega Brands Legacy Sets service that will allow consumers to purchase current and previously in-store retired sets directly from Mega Brands distribution channel will be exclusively business-to-consumer (B2C) through Mega Brands' official online store. This channel choice gives Mega Brands full control over the production levels of retired sets and ensures a seamless customer experience.

Mega Brands Legacy Sets service direct distribution strategy will include the following:

1. **Official Online Store:** Mega Brands' official online store will serve as the primary distribution platform for the new service. The online store will feature a user-friendly interface, comprehensive product listings, and secure payment options to facilitate easy purchasing of current and retired sets.
2. **Exclusive Availability:** By offering the service exclusively through their official online store, Mega Brands can maintain full control over the availability and pricing of retired sets. This exclusivity creates a sense of uniqueness and encourages customers to engage directly with Mega Brands for their purchasing needs.
3. **Product Information and Descriptions:** The online store will provide detailed information and descriptions of each set, including product features, specifications, and notable characteristics. This transparency ensures that customers have accurate information before making their purchase decisions.
4. **Online Promotions and Marketing:** Mega Brands will implement online marketing strategies to promote the new service and generate awareness among its target audience. This includes targeted digital advertising, social media campaigns, email marketing, and collaborations with relevant influencers or toy enthusiasts to reach potential customers.
5. **Seamless Online Ordering and Fulfillment:** The online store will offer a streamlined and secure ordering process, allowing customers to easily browse, select, and purchase desired sets. Mega Brands will prioritize efficient order fulfillment, ensuring timely shipping and delivery to customers' preferred locations.
6. **Customer Support:** Mega Brands will provide comprehensive customer support through various channels, including email, live chat, and a dedicated customer service hotline. This support system will address inquiries, provide assistance with product selection, and offer post-purchase support, ensuring a positive customer experience.
7. **Packaging and Shipping:** Mega Brands will utilize eco-friendly packaging materials and practices aligned with its commitment to sustainability (*Corporate Social Responsibility*). Efficient packaging and shipping processes will be implemented to minimize waste and ensure the safe delivery of products to customers.
8. **Return and Exchange Policy:** To instill confidence in customers, Mega Brands will have a clear and customer-friendly return and exchange policy.
9. **Data Analytics and Customer Insights:** Mega Brands will leverage data analytics to gain insights into customer preferences, purchase patterns, and trends. These insights will inform marketing strategies, product development decisions, and customer-centric improvements to enhance service offerings.

PART IV: Marketing Strategy

Mission/Objectives

Mission Statement: Our mission at Mega Brands is to provide an exceptional imaginative brick-building experience that inspires creativity, learning, and joy for children of all ages. Building on our 30-year history, we are proud to introduce Legacy Sets, a new service that allows consumers to purchase current and previously in-store retired sets directly from our official online store at a reasonable price. With Legacy Sets, we aim to offer nostalgic value, convenience, and accessibility to our loyal customers, ensuring that the magic of Mega Brands lives on.

Marketing Objectives:

1. **Increase Brand Loyalty:** Engage and retain existing Mega Brands customers by offering them the opportunity to purchase retired sets through the Legacy Sets service. Encourage repeat purchases and foster long-term brand loyalty.
2. **Attract New Customers:** Expand our customer base by targeting fans of Mega Brands who may have missed out on previously released sets. Utilize digital marketing channels and partnerships to reach a wider audience and generate interest in Legacy Sets.
3. **Enhance Customer Experience:** Provide a seamless and user-friendly online shopping experience through the official Mega Brands online store. Streamline the ordering process, ensure product availability, and offer personalized recommendations to enhance customer satisfaction.
4. **Leverage Nostalgia:** Capitalize on the sentimental value of retired sets to evoke nostalgia among our target audience. Highlight the emotional connection and fond memories associated with Mega Brands products to drive interest and sales.
5. **Increase Sales Revenue:** By opening and promoting an official Mega Brands online store for the convenience and benefits of purchasing current Mega Brands in-store products and the new service: Legacy Sets, directly from our official online store, emphasizing competitive pricing, ease of use, and fast shipping.

Financial Objectives:

1. **Increase Revenue:** Generate incremental revenue by tapping into the demand for retired sets and providing customers with the opportunity to purchase them directly. Drive sales through the Legacy Sets service, contributing to overall company growth and profitability.
2. **Achieve Profit Margins:** Optimize pricing strategies to ensure that Legacy Sets are offered at a reasonable price while also maintaining healthy profit margins. Monitor costs and adjust pricing accordingly to maximize profitability.
3. **Expand Global Market Presence:** Broaden our market reach beyond North America and penetrate new international markets through the establishment of an official online store.

4. **Cost Efficiency:** Streamline operations and logistics related to the Legacy Sets service to minimize overhead costs and improve efficiency. Implement inventory management systems and fulfillment processes to reduce wastage and ensure timely delivery.
5. **Return on Investment (ROI):** Measure the success of the Legacy Sets marketing plan by analyzing the return on investment. Track sales performance, customer acquisition costs, and marketing expenditure to assess the financial impact and adjust strategies accordingly.

Target Markets

Identified Target Markets based on the implementation of a new official online store and the introduction of the new Mega Brands Legacy Sets service have been recognized as the following:

- **Toy Building Enthusiasts:** Individuals who enjoy building toys and have an interest in Mega Brands products. This could include children, teenagers, and adults who enjoy building and collecting construction toy sets.
- **Collectors and Completionists:** Individuals who desire to collect Mega Brands products from either Mega Brands or its partnerships' brand recognition.
- **Mega Brands Existing Customer Base:** Customers interested in purchasing particular Legacy sets that were previously available from Mega Brands' partnerships with various retailers such as Amazon, Walmart, Target, and others.
- **Online Shoppers:** Individuals who prefer shopping online for their building set needs and appreciate the convenience of being able to purchase directly from the manufacturer's online store.
- **Parents:** Parents who have had excellent past experiences with Mega Brands' past products looking to introduce their children to classic Mega Brands building sets.

Positioning

Our employees and consumers must understand the key benefits of Mega Brands' new services, Legacy Sets and the Official Online Store, to make informed decisions for targeted market development (Kotler et al., 2021, pp. 141-144)

Legacy Sets: Positioning Statement: Relive the Past, Embrace the Future with Legacy Sets by Mega Brands.

- **Heritage and Nostalgia:** Mega Brands' rich history evokes emotional connections, allowing customers to relive childhood memories and capture the sentimental value of constructing past Mega Construx sets.

- **Exclusive Retired Sets:** Unique opportunity for Mega Brands' loyal and new customers to acquire rare and discontinued sets, unmatched by any other brick-building construction toy company.
- **Affordable Pricing:** Reasonably priced Legacy Sets provide access to a broader audience, reflecting Mega Brands' commitment to offering quality and authentic sets at affordable prices.
- **Direct Online Purchase:** Hassle-free purchasing experience through Mega Brands' official online store, ensuring convenience and reliability.

Official Online Store: Positioning Statement: Discover the Ultimate Building Experience at the Mega Brands Official Online Store.

- **Extensive Collection:** Go-to destination for enthusiasts and fans to explore and purchase all Mega Brands' products, including the latest building sets.
- **Legacy Sets Selection:** Exclusive source for acquiring retired sets, combining exclusivity and convenience in one package.
- **Brand Trust and Pledge:** Trusted platform upholding Mega Brands' reputation for innovation, authenticity, and value, ensuring safe and secure product offerings and purchase transactions.
- **Seamless Shopping Experience:** User-friendly interface and one-stop shop for all Mega Brands' product needs, with easy navigation and reliable customer support.

Strategies

Online Presence and E-commerce:

1. Launch a new Mega Brands official online store to offer a seamless shopping experience for customers.
2. Promote the convenience of purchasing current sets and Legacy Sets directly from the online store.
3. Create a user-friendly website with detailed product descriptions, high-quality visuals, and easy navigation.
4. Implement secure payment options and efficient order fulfillment processes to enhance customer satisfaction.

Product Range and Availability:

1. Introduce the Legacy Sets service, allowing consumers to purchase retired sets directly from the Mega Brands official online store at a reasonable price. Promote the opportunity to own previously unavailable sets.
2. Continuously update the online store with the latest sets.
3. Implement inventory management strategies to ensure adequate stock levels and minimize out-of-stock situations.

Marketing Campaigns and Promotions:

1. Develop targeted marketing campaigns to create awareness about the Legacy Sets service and the new official online store.
2. Utilize social media platforms, email marketing, and online advertisements to reach a wider audience.
3. Collaborate with influencers, toy enthusiasts, and relevant online communities to generate buzz and positive reviews.
4. Offer exclusive promotions, discounts, or limited-time offers to incentivize customers to purchase from the official online store.
5. Influence customer testimonials and reviews to build trust and credibility.

Customer Engagement and Support:

1. Provide exceptional customer service through phone support, email, and social media.
2. Establish a dedicated customer support team to address inquiries, resolve issues, and provide assistance.
3. Encourage customers to provide feedback and reviews on the website or through social media.
4. Create a loyalty program to reward frequent customers and encourage repeat purchases.

Partnerships and Collaborations:

1. Collaborate with other brands, toy retailers, or online marketplaces to expand the reach of Mega Brands products and promote the new services.
2. Explore partnerships with influencers, content creators, or bloggers in the toy industry to increase brand visibility and engagement.

Marketing Mix/Program

The Four Ps (Product, Price, Promotion, and Place) determine the marketing mix framework outlined in *Marketing Management's* 16th edition textbook (Kotler et al., 2021, pp. 36-38). Here Mega Brands' two new services, Legacy Sets, and the Official Online Store, will be defined based on the Four Ps.

Product:

- Legacy Sets: Mega Brands' service allows customers to purchase current and retired sets directly from their official online store at a reasonable price, offering the opportunity to acquire popular and sought-after sets once available in physical stores.
- Official Online Store: The new online store provides customers with a convenient and user-friendly platform to purchase current and legacy sets, featuring a comprehensive catalog, easy navigation, secure payment options, and reliable customer support to enhance the shopping experience.

Price:

- Legacy Sets: Mega Brands prices legacy sets reasonably, considering factors such as popularity, rarity, and market demand, aiming to attract customers while ensuring profitability.
- Official Online Store: The pricing of current and legacy sets on the official online store is competitive, offering value for money to customers, leveraging the direct-to-consumer model to optimize pricing and eliminate intermediaries.

Promotion:

- Legacy Sets: Mega Brands promotes the Legacy Sets service through online advertising, social media campaigns, email marketing, and collaborations with influencers or toy enthusiasts, emphasizing the exclusivity and accessibility of retired sets through the official online store, creating excitement among collectors and enthusiasts.
- Official Online Store: The launch of the new official online store is promoted through social media, targeted online ads, press releases, and partnerships with toy review websites or blogs, highlighting the convenience, authenticity, and wide selection of sets available for purchase.

Place:

- Legacy Sets: The Legacy Sets service is exclusively available through Mega Brands' official online store, which is accessible, user-friendly, and optimized for desktop and mobile devices, with the potential for international shipping to expand the customer base.
- Official Online Store: The new official online store serves as the primary distribution channel for current and legacy sets, easily accessible from the Mega Brands website, prominently featured, and integrated with secure payment gateways for a seamless shopping experience.

Marketing Research

The marketing research process for Mega Brand's launch of Legacy Sets and the Official Online Store will be underlined through the five steps identified within *Marketing Management's* 16th edition textbook (Kotler et al., 2021, pp. 102-110).

Define the problem:

- Clearly define the problem by identifying the need for market research to support the launch of Legacy Sets and the Official Online Store, such as understanding consumer demand, assessing pricing strategies, and identifying target markets.

Develop the research plan:

- Determine the specific research objectives and questions related to consumer demand, pricing strategies, target markets, and competitive analysis for Legacy Sets and the Official Online Store.

- Design the research methods and approaches to collect relevant data, such as consumer surveys, focus groups, competitor analysis, and online market research.

Collect the information:

- Implement the designed research methods to collect data on consumer preferences, purchase behavior, price sensitivity, and expectations through surveys, focus groups, and online research.
- Gather information on the competitive landscape, including pricing strategies, distribution channels, online presence, and customer feedback of competitors.

Analyze the information:

- Analyze the collected data to extract meaningful insights and patterns related to consumer preferences, market trends, and competitive dynamics.
- Evaluate the findings from the research to identify key opportunities and challenges for the Legacy Sets and the Official Online Store.

Make the decision:

- Utilize the research findings and analysis to make informed decisions regarding pricing strategies, target markets, positioning, messaging, and promotional activities for Legacy Sets and the Official Online Store.
- Based on the research, determine the feasibility and viability of implementing the new services, considering factors such as technical requirements, logistical considerations, and potential return on investment.

PART V: Financials

Break-Even Analysis

To conduct a Break-Even Analysis, Mega Brands Inc. will determine the following factors:

- 1) **Identify Fixed Costs:** Determine the fixed costs associated with the new services. "Fixed costs are costs that do not vary with production level or sales revenue" (Kotler et al., 2021, pp. 238-248). Examples of fixed costs for Mega Brands could include costs such as website maintenance costs, marketing expenses, salaries of employees involved in online operations, and any other overhead costs related explicitly to the new services.
- 2) **Determine Variable Costs:** Identify the variable costs associated with the Legacy Sets and Official online store services. "Variable costs vary directly with the level of production" (Kotler et al., 2021, pp. 238-248). Examples of variable costs for Mega Brands might include such expenses as the cost of manufacturing Legacy Sets, packaging materials, shipping fees, payment processing fees, and any other costs that vary based on the number of sets sold or orders fulfilled.

- 3) **Calculate Selling Price:** Determine the selling price for both the Legacy Sets and current sets offered in the Official online store. Mega Brands is well-known for its competitive pricing, and it is essential for the company to establish a reasonable selling price. This ensures the attraction of customers, the coverage of variable costs, and assistance in offsetting fixed costs. By setting the selling price at an appropriate level, Mega Brands can find a balance between affordability for customers and profitability for the company.
- 4) Once these factors have been identified, we can use the following formula to determine the break-even volume:

- Break-even volume = Fixed costs / (Selling price per unit - Variable cost per unit) (Kotler et al., 2021, pp. 238-248).

This calculation will help determine the number of units Mega Brands Inc. needs to sell to cover all costs and reach the break-even point for the new services.

- 5) **Assess Profitability:** Once the break-even quantity is determined, evaluate the profitability of the new services. Compare the projected sales volume with the break-even quantity to assess the potential for generating profits. If the projected sales volume exceeds the break-even volume, it indicates the potential for profit. Conversely, if the projected sales volume falls below the break-even volume, adjustments may be needed to improve profitability.

Sales Forecast

Mega Brands will utilize market research and current sales experience to establish the foundation of its sales forecast.

The company will conduct semiannual short-term forecasts to align production policies, optimize inventory management, reduce raw material costs, and determine sales targets to meet financial requirements and satisfy demand (Educationleaves, 2022).

Mega Brands' sales forecasting approach will be data-driven, incorporating historical data, market and economic trends, competition analysis, and customer insights. Additionally, the company will consider factors such as seasonal demand, the popularity of specific themes, and the potential impact of marketing initiatives (Educationleaves, 2022).

Regular review and adjustment of the sales forecast based on actual sales performance will be a standard practice for Mega Brands.

Expense Forecast

Mega Brands will set expectations by comparing the financial objectives laid out within this marketing plan and the maintained budget to its financial forecast.

The company will regularly conduct short-term financial forecasts on a quarterly basis or when there are operational and inventory changes. These forecasts enable accurate adjustments to production and inventory levels (Nickolas, 2022).

In order to consider both fixed and variable expenses, Mega Brands will analyze the company's financial statements, including the Income Statement, Cash Flow Statement, and Balance Sheet. These financial projections will provide valuable insights into sales trends, potential risks, and opportunities, assisting the company in making informed decisions (Intuit QuickBooks, 2021).

Upon completing the expense forecast, Mega Brands will conduct a thorough review with relevant stakeholders, such as the finance department, marketing team, and executive management, to ensure alignment throughout the organization. This collaborative review process ensures that all key parties are on the same page and allows for any necessary adjustments to be made.

PART VI: Controls Implementation

Our implementation of this plan will involve the following steps:

- 1) Set realistic expectations.
- 2) Establish in-house teams and collaborate with external consultants and firms.
- 3) Maintain effective communication among management, employees, business partners, and consumers.
- 4) Create a streamlined workflow aligned with marketing and production goals.
- 5) Continuously evaluate and adjust the marketing strategy based on valuable feedback (Indeed Editorial Team, 2022).

Specific teams that are to be implemented:

Marketing Research Team

- Conduct market research to gather information about the target market and consumer preferences.
- Assess the demand for current and retired sets among consumers.

Pricing Strategy Team

- Determine reasonable prices for Legacy Sets.
- Balance customer attractiveness with profitability when setting prices.

Brand and Positioning Team

- Develop a strong brand identity for Mega Brands.
- Position Legacy Sets as exclusive and desirable products.

Official Online Store Design and Development Team

- Create a user-friendly and visually appealing online store.

- Showcase current sets and Legacy Sets on the online store.
- Ensure accessibility across various devices (desktops, tablets, smartphones).

Digital Marketing Strategy Team

- Utilize online marketing channels (SEO, PPC advertising, social media marketing, content marketing, email marketing, influencer partnerships).
- Promote new services and drive traffic to the official online store.

Customer Support Team

- Provide customer support channels (email, live chat, phone support).
- Address inquiries and issues related to products or the online store.

Performance Monitoring and Analysis Team

- Track key performance indicators (sales, website traffic, conversion rates, customer satisfaction, ROI).
- Analyze data to identify areas for improvement and make data-driven decisions to optimize marketing efforts.

Marketing Organization

Mega Brands is a well-established company in the construction toy industry, and this marketing plan focuses on the construction and enactment of two very different new services: Legacy Sets and the Official Online Store. To facilitate the successful implementation of these initiatives, Mega Brands' would benefit from adopting a matrix organization.

A matrix organization combines functional, product, and market structures, creating a hybrid model that promotes collaboration, flexibility, and targeted efforts for specific projects and goals (Kotler et al., 2021, pp. 17-20).

However, the matrix organizational structure can create confusion among managers and teams regarding their roles (Indeed Editorial Team, 2023). To address this issue and streamline the process, we have established the reporting structure and defined the roles for each team. These team divisions aim to clarify responsibilities, expedite operations, and address the challenges associated with the ambiguity of the matrix structure, thereby fostering effective collaboration among employees.

Marketing Department

Marketing Research Team:

- Provides market insights, customer behavior analysis, and competitive research to support the marketing plan for Legacy Sets and the Official Online Store.
- Collaborates with the Pricing Strategy Team to gather insights on customer behavior, market trends, and competitive research

Pricing Strategy Team:

- Develops pricing models, conducts pricing analysis, and determines optimal pricing strategies for Legacy Sets and the Official Online Store based on market research and customer segmentation.
- Collaborates with the Marketing Research Team to analyze market research data and customer segmentation for determining optimal pricing strategies

Brand and Positioning Team:

- Defines and executes brand strategy, positioning, and messaging for Legacy Sets and the Official Online Store to ensure consistent and compelling brand representation.
- Collaborates with the Digital Marketing Strategy Team to align brand messaging and positioning across digital marketing channels

Digital Marketing Strategy Team:

- Develops and implements digital marketing strategies, including online advertising, social media marketing, search engine optimization (SEO), and email marketing, to drive traffic and sales for the Official Online Store and promote Legacy Sets.
- Collaborates with the Brand and Positioning Team to ensure consistent brand representation in digital marketing campaigns

IT/Technology Department

Official Online Store Design and Development Team:

- Responsible for designing and developing the new Mega Brands Official Online Store, ensuring an intuitive user experience, attractive visual design, and seamless integration with Legacy Sets and current sets.
- Collaborates with the Digital Marketing Strategy Team and the Brand and Positioning Team to ensure the seamless integration of the online store with marketing campaigns and brand representation

Customer Service/Support Department

Customer Support Team:

- Provides assistance, handles inquiries, resolves issues, and ensures customer satisfaction for both Legacy Sets and the Official Online Store, delivering exceptional customer support across various channels.
- Collaborates with all marketing teams to address customer inquiries and issues related to products and the online store

Analytics/Insights Department

Performance Monitoring and Analysis Team:

- Monitors and analyzes the performance of Legacy Sets and the Official Online Store, tracks key performance indicators, and provides actionable insights to optimize marketing efforts and drive business growth.
- Collaborates with all marketing teams to gather data and provide actionable insights for optimizing marketing efforts

Contingency Planning

1. Create a policy statement that outlines the objectives and principles of the marketing plan for Legacy Sets and the Official Online Store. The policy should emphasize customer access, satisfaction, sustainability, and maintaining the brand's reputation.
2. Conduct a business impact analysis to assess potential risks and impacts related to the marketing plan. Consider factors such as supply chain disruptions, cybersecurity threats, changes in customer behavior, and market competition.
3. Implement preventative controls to mitigate identified risks. This includes robust cybersecurity measures and ensuring a reliable supply chain for both current and retired sets.
4. Develop contingency strategies, such as diversifying the supply chain, implementing redundancy measures for the online store, and creating a crisis communication plan.
5. Write a detailed contingency plan that includes the policy statement, business impact analysis findings, preventative controls, and contingency strategies. It should outline specific actions, responsibilities, and contact information.
6. Test and train employees regularly to ensure they are familiar with and can implement the contingency plan effectively.
7. Maintain the plan by reviewing, updating, and incorporating lessons learned from testing and real-life incidents. Regular communication and coordination with stakeholders are essential (Leonard, 2023).

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