A MARKETING PLAN FOR API GLOBAL TRANSPORTATION

A Project

Presented to the faculty of the College of Business Administration

California State University, Sacramento

Submitted in partial satisfaction of the requirements for the degree of

MASTER OF BUSINESS ADMINISTRATION

(Marketing)

by

Megan Lunetta

SPRING 2012
Student: Megan Lunetta

I certify that this student has met the requirements for format contained in the University format manual, and that this Project is suitable for shelving in the Library and credit is to be awarded for the Project.

Monica Lam, Ph.D.  
Associate Dean for Graduate and External Programs

College of Business Administration
Abstract
of
A MARKETING PLAN FOR API GLOBAL TRANSPORTATION
by
Megan Lunetta

Statement of Problem
API Global Transportation has not established a formal business structure since it’s opening in 2005. Other than verbal goal setting, the company has not developed a comprehensive marketing plan. With the acquisition of other livery companies, the combined businesses are expected to have a promising fiscal year of 2012/13.

Sources of Data
Two sources of data were applied: (1) secondary data of industry data and market studies (2) primary data based on interviews with the management team and key personnel.

Conclusions Reached
Utilizing marketing techniques of segmentation and target marketing analysis, a formal marketing plan was developed for API Global Transportation. The plan encompasses an analysis of the marketing mix to offer the appropriate service, price,
distribution, and promotion to enhance the brand image of API Global Transportation, which is of premium, quality service to address all consumer transportation needs.

_____________________, Committee Chair
Claudia Bridges, Ph. D.

_____________________
Date
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Chapter 1

INTRODUCTION

API Global Transportation is a medium-sized luxury transportation company headquartered in Gold River, California. It is the largest limousine company in the Sacramento region. This year the company evolved from API Limousine into API Global Transportation to reach additional market segments. With this development, the company hopes to maintain a consistent image and reputation of luxury transportation in the community.

Purpose

This report details the results of a study undertaken to develop a marketing plan for the fiscal year 2012/13 for API Global Transportation. The purpose of the study is twofold:

1. to show the company owners the opportunities and value of a marketing plan
2. to develop the marketing goals, objectives, strategies, and means of evaluation for the company to implement in the coming fiscal year.

The main issues facing the company are increasing consumer awareness and repeat business to increase growth within a limited marketing budget. Additional problems of interest include effectively measuring the marketing program and maintaining a consistent brand image as the company expands.
Research Design

A situational analysis examining the external and internal environments was used to audit these elements and discover opportunities and threats the company is facing. The following are two research strategies that were used to study the opportunities and threats and evaluate current weaknesses and strengths:

1. Secondary data pertaining to the transportation industry and market trends are collected and interpreted.
2. Primary research including in-depth interviews with the owners, management team, and administrative staff. Data from surveying staff and key personnel are also included in this report.

Limitations

This project is based on information provided by the organization. API Global Transportation is a privately held company and specific financial data are confidential. Projections and budgets will be based on approximate figures.

History of API Global Transportation

API Global Transportation formed in 2005 as API (A Professional Image) Limousine by John and Melody Costan and their partner Jake Jacobs. John and Jake had wanted to start a limousine company since high school. They formed the company in order to address the needs of luxury transportation of consumers in the Sacramento area. The company was operated out of their home. Their goal was to have a fleet of two or
three limousines as they were cautious business owners and did not want to grow beyond their means.

In 2009, the company hired a financial officer, David Kinney, to help the company grow financially. David was able to grow the business to become more than just a limousine service but built connections with consumers and strategic partnerships with local businesses. The company expanded rapidly from just two limousines to over 20 vehicles in just over three years.
Chapter 2

MARKETING PLAN VALUE

A marketing plan is described as "a formal statement of decisions that have been made on marketing activities; it is a blueprint of the objectives, strategies, and tasks to be performed" (Donnelly, 20). A marketing plan consists of several key elements. The basic structure of a marketing plan includes: a mission statement, objectives, a situational analysis also known as SWOT (strengths, weaknesses, opportunities, and threats) analysis, target market segments, marketing mix (product, price, promotion, and place), and evaluation and control. Combining this information in a structured, written plan can help guide an organization to meet goals and increase public awareness of the brand.

In order for a company to grow and be profitable, it must make sales. Marketing, which is the action of promoting and selling products or services, is how sales come to be. A marketing plan prepares the business to be proactive to what the market does, rather than reactive. If a company is reactive, it is one step behind competitors. Having a plan in place allows a company to be ready for changes in the flow of the marketplace. With planning, a company can anticipate a market change ahead of competitors and become an industry leader.

Not only does a plan keep a company in the forefront, but marketing also will increase income, introduce new consumers to the brand, and improve the company’s image. A strategic marketing plan requires the company to define itself in terms of what it does for customers. In other words, to not describe its product but to explain it’s value
offered to consumers. This is the key to market the company’s point of difference. Many companies fall into the trap of describing what they actually do (ie “We transport people to and from places”) instead of making a connection to the consumer by describing their unique selling propositions. In order to have a successful marketing plan, the company must develop and enhance their brand image and create a written plan to reach their goals.

Value of a Written Plan

Having a written marketing plan, rather than verbal goal setting, makes a significant difference in company performance. A business management firm exclaims that “by factoring marketing into your day-to-day decisions, your choices become clearer” (Sisti). They further discuss that it all starts by writing it down. As the company begins to put words to paper, the ideas and goals will take shape. Adjusting the plan over time is essential to be flexible to the changing marketplace— but if the idea is only in one person’s mind, it will be forgotten and employees will be left in the dark with no contingency plan or vision for the future.

There are several studies validating the effectiveness of writing down information. A study done by Dominican University revealed that “Those who wrote their goals accomplished significantly more than those who did not write their goals”. Not only are goals met but many exceeded their goals when they were written. Empirical evidence also shows that when something is written not only will the company meet the goals, but it shows greater accountability and commitment of the organization when a
plan and timeline for implementation are actually written. Developing a proper marketing plan can do the following:

1. Ensures that marketing activity and communication is properly focused and integrated.
2. Enables entire organization to know exactly what will happen, when, how and why.
3. Assists the business in taking advantage of market opportunities.
4. Ensures that the business remains “healthy” by preparing for possible problems.
5. Places the business in a better position to react to unexpected problems or events.
6. Allows the company to identify the proper marketing mix that is consistent with the company branding.

Another study shows, “As the rules and procedures for executing marketing planning become better specified and organized, the credibility of the output is enhanced and utilization rates are higher” and further signals a commitment by the organization to deliver (Cialdini). An increase is specialization or differentiation also increases credibility. Participation in marketing planning from all levels of the organization enhances the quality of input to understand varying perspectives. Having a written plan shows commitment but employees and the entire organization have to have buy-in and believe in the goals of the company. When this is achieved, the plan can go forward and be implemented for success.
According to an academic book on marketing planning, Dr. Brian Smith’s proved a direct link between organizational success and marketing strategies. This means that having a successful marketing plan resulted in a successful and profitable organization. His thesis linked superior performance to marketing strategies that had the following qualities (McDonald):

1. Focused market segment definition
2. Strategy uniqueness and differentiation
3. Strengths leveraged and weaknesses minimized
4. Creation of internal and external synergies
5. Company alignment to objectives
6. Alignment to market trends
7. Appropriate resourcing and budgeting
8. Clear basis of competition

A combination of the above will create a solid foundation to base marketing and overall business decisions. Having a clear understanding of the market, competition, and translating consumer needs into company offerings will accomplish success for the organization.

The entire marketing process is a cycle. It consists of defining markets and quantifying the needs of the different customer segments within these markets. Next is determining the value propositions to meet the needs of these consumer groups. It is necessary to communicate these value propositions to those people in the organization.
responsible for delivering the messages and gaining their buy-in. These individuals play an appropriate part in delivering these value propositions to the chosen market segments. Lastly, it is essential to monitor the value actually delivered.

A marketing plan evolves and changes as a company evaluates its progress. A company can learn to be flexible and competitive by investigating different methods of marketing and implementing a measuring system to see what functions most effectively.
Figure 1: Visual Representation of the Cyclical Marketing Process from the Journal of Marketing Research
Chapter 3
EXTERNAL ENVIRONMENT ANALYSIS

This external study is captured in Michael Porter’s 5 Forces Model as well as economical, political, technological, and social analysis. The macroenvironment consists of elements that shape opportunities as well as pose threats to API Global Transportation. The analysis will provide additional insights and perspectives on the current characteristics of the limousine industry.

Michael Porter’s 5 Forces Model

Industry Analysis

Utilizing Michael Porter’s 5 Forces Model helps to examine the current position of API Global Transportation within the limousine industry. The elements of this model are competitive intensity, threat of new entrants, threat of substitutes, bargaining power of buyers, and bargaining power of suppliers.

1. Competitive Intensity is high: There are several competitors currently operating in the limousine industry, as well as the transportation industry. Gaining an increase is market share forces companies to differentiate themselves either by pricing or the emphasis of quality service. As a result, many providers of this service offer similar pricing and lose potential profits as they compete by lowering the price to gain market share.
2. Threat of New Entrants is low: In today’s economy, starting a limousine company that has high fixed costs and a lower profit margin is not likely. This expenditure also requires financial resources to get started. More importantly, achieving profit in a highly competitive environment is a barrier for new entrants into this market.

3. Threat of Substitutes is high: There are many competitors who offer lower prices or perform price matching so consumers easily switch. Consumers can use other modes of transportation like rental cars, Zipcar, taxi, train, bus, and shuttle.

4. Bargaining Power of Buyers is low and high: The bargaining power of buyers is low when the buyer wants to pay for limousine service, because the loss of potential financial resources will not considerably impact the company revenues. On the other hand, a buyer has high bargaining power if the buyer is from an automotive company or large organization seeking to purchase service of multiple vehicles. Losing this potential sale, which would result in high profit, would hurt the company.

5. Bargaining Power of Suppliers is high: The automotive industry leases or sells vehicles to limousine companies. There are not many companies who make limousines so if API Global Transportation believes prices are too high, they have low power in this situation where the supplier has high bargaining power.
The competitive pressures in the limousine services industry are medium to high. The high number of competitors creates an intense environment, but high competition can create better services for consumers since companies are forced to differentiate and provide value. API Global Transportation faces competition from the following: brand, product, generic, and total budget competitors.

1. Brand Competitors: These competitors offer consumers a product with comparable features, prices, and benefits as API Global Transportation.
2. Product Competitors: Product competitors offer consumers similar products, but differ in benefits, features, and price.
   - Examples: Blue Shuttle, Yellow Cab, Checker Cab

3. Generic Competitors: These competitors do not offer a similar product but satisfy the need for transportation.
   - Examples: Hertz, Enterprise

4. Total Budget Competitors: These are competitors that encompass other activities consumers spend their financial resources on.
   - Examples: Dining, theater, shopping, travel tickets, entertainment tickets, sporting events

It is critical to understand and analyze competitors in order to address opportunities and threats. Comparing the organization to top competitors will provide an understanding of what they do better and what API Global Transportation does better. Having knowledge of competitive strategies only makes API strive to emphasize their unique selling proposition to consumers to gain more market share.

Economic Growth and Stability

Current economic conditions have a direct and indirect impact on the performance of API Global Transportation. Economic conditions are beyond the control of the organization, but with planning and strategizing the company can monitor their performance and take steps to reduce the impact of external conditions on the company’s
success. Analyzing the current consumer confidence index, as well as, unemployment rates can give a clear view of the economic climate the company is faced with.

**Consumer Confidence Index**

The Conference Board measures and issues the Consumer Confidence Index every month. The Consumer Confidence Index is designed to measure consumer’s level of optimism that is expressed through activities such as saving or spending.

The Consumer Confidence Index is benchmarked to 1985=100. In February the index increased to 71.6 but went down slightly in March to 70.2. The portion of consumers expecting that business conditions would improve over the next six months increased to 19.2 percent. However, those consumers expecting business conditions will worsen also rose, to 13.5 percent from 11.8 percent. Consumers’ outlook for the labor market was fairly less upbeat. Those expecting more job opportunities in the months ahead decreased to 17.3 percent from 18.8 percent, while those expecting fewer jobs increased to 18.3 percent from 16.4 percent. The consumers expecting an increase in their incomes improved somewhat to 15.8 percent from 15.5 percent (The Conference Board).
Unemployment Rates

The unemployment rate is calculated by dividing the number of unemployed individuals by the individuals currently in the labor force. Market mechanisms can be used to decrease the number of unemployed individuals. There are several theories that argue that intervention is necessary to solve unemployment with taxes, unionization, and other regulations.

According to the Bureau of Labor Statistics, the current unemployment rate in Sacramento, CA is 11.4%. In California the unemployment rate is slightly lower, at 10.9%. Rhode Island and Nevada are the only other states with higher unemployment rates. The unemployment rate for the United States is 8.7%.
Figure 4: Unemployment Rate for Sacramento, CA
Figure 5: Unemployment Rate for California
Political, Legal, and Regulatory Issues

API Global Transportation currently operates within California. The external environment the company operates within changes due to political and regulatory developments and issues. As the company expands globally, they are subject to political, legal, and regulatory issues that vary between countries.

Political Issues

In 1994 the North America Free Trade Agreement came into force as an agreement reached by the governments of the United States, Canada, and Mexico that instituted the phasing out of tariffs, fees, and other hindrances to encourage free trade between the three North American countries (Malkin).

Companies use this to their advantage by outsourcing production to Mexico or Canada to take advantage of lower employee wages. This resulted is an unemployment rate of 10% in the US Automotive industry after the agreement was implemented.

Increases in fuel costs are an issue the company must consider. Fuel costs are at an all time high and will continue to increase. With a fleet of over 20 vehicles, this can be a significant cost for the company.

Another issue is environmental law. All vehicles need to pass specific regulations and be continually maintained. Environmental concerns are also in the forefront with increased awareness of sustainability and green marketing.
Regulatory Issues

1. Consumer Liability: API Global Transportation shifts liability to the consumer in the act of damage to the vehicle or when left in an unsanitary condition (ie a client or guest getting sick inside the limousine). A nominal sanitation fee of $600 is charged to the consumer for damages.

2. Age Policy: Consumers of all ages can use the limousine service, however there are some precautions taken for those who are under the legal drinking age and under 18 years of age. The suggested minimum age is 21 years old if the group plans to consume alcohol inside the limousine. If guardians are paying for limousine service for their high school graduates for prom, a prom safety contract must be signed. This is a contract delivered by the I Promise Program and must be agreed upon by the teen passengers, parents, and limousine service provider. It stipulates the following: no alcohol will be consumed; the chauffeur will inspect all packages; and the chauffeur will phone guardians if any alcohol or drug use is detected.

3. Telephone Consumer Protection Act: The Telephone Consumer Protection Act protects consumers from unwanted solicitation and advertisement by businesses over the phone or through fax regarding advertising messages. Advertising to consumers in this way is legal when given written or verbal consent stating they will allow telephone solicitation.
Legal Issues

API Global Transportation has seen explosive growth in the last four years. Since their rapid growth, other companies have sought legal suits against API. All legal suits thus far have not gone to court resulting in a settlement against the company. Detailed information regarding ongoing legal suits against API Global Transportation is confidential.

Changes in Technology

The continuous growth and development of technological advancements has evolved the way company’s interact with consumers. Consumers search for product information and pricing, comparison shop, and place reservations through mobile devices while on the go. To remain competitive, API Global Transportation must evolve with these trends in order to satisfy consumers.

Product information search can be done from the comfort of the consumer’s home. Maintaining a current Internet website that displays prices, products, services, promotions offered to consumers is essential since this is how consumers prefer to obtain appropriate information about the company. Through reservation portals, consumers can set up limousine reservations.

Comparison shopping is also made easy with online websites that provide a means for consumers to find information about a variety of companies. Consumers can compare features, benefits, and services offered by limousine companies easily either by viewing the company websites or reviewer websites, such as Yelp, Google Places, or
Limos.com. Making shopping even easier is the smart phone. Consumers can view information about the company while traveling.

Placing reservations for limousine services can be completed online. This ensures a quick and easy process consumers can do on their own. Consumers can also book reservations by calling or walking into the headquarters.

Researching technological trends has helped API Global Transportation remain competitive. Utilizing the latest technology inside the limousines (ie iPod hook ups) and through interaction with consumers via the phone service, reservation software, and other online capabilities.

Sociocultural Trends

With changes in sociocultural trends, shifts in lifestyle trends occur. The following are shifts that have an impact on the limousine industry.

Lifestyle Trends

Increased fuel prices have created an increased importance on fuel efficiency. With gas price increases, hybrid and fuel efficient vehicles are the popular vehicles of choice. Consumers also prefer to carpool or use other modes of transportation. There is an increased awareness of environmentalism and more consumers want vehicles that give off less gas emissions.

Product Information Online

The Internet has made it easy for businesses to display their products to consumers, where consumers do not need to go into a store and interact with a
salesperson face-to-face. Consumers can also purchase products and services globally from the web, which has increased competition. The Internet has provided a means for consumers to look up ratings and rate products they have purchased.

Changes in lifestyle trends have an impact on API’s product, pricing, distribution, and promotion:

- **Product**: Consumers prefer vehicles that are full efficient or to carpool. API Global Transportation offers a way for consumers to travel as a group and is also purchasing or leasing hybrid vehicles.
- **Pricing**: Consumers perceive premium pricing to mean quality and high-class. Pricing high enough to attract consumers who prefer a high-class experience, but not too high to turn these users off is important.
- **Distribution**: API Global Transportation is headquartered in Gold River and near the Sacramento Executive Airport. Chauffeurs pick up clients wherever they need pick up service. API also works with affiliates in other regions to facilitate transportation services.
- **Promotion**: Consumers are price sensitive, especially with a lingering recession. Promotional activities are essential to show consumers that premium pricing represents the quality of the luxurious experience of the limousine company.
Chapter 4

MARKETING AUDIT OF API GLOBAL TRANSPORTATION

Not only are the external environments important to consider, but also the internal conditions. This section focuses on evaluating if API Global Transportation has the required resources and capabilities to carry out sought opportunities.

Market Size

The U.S Census Bureau estimated the total population of Sacramento as of 2010 to be 1,418,788. This shows a 15.33% growth in the total population from the 2000 Census of 1,230,150. Sacramento is ranked number 25 out of the most populous counties in the United States. Within the actual city limits of Sacramento, the population is 489,488 and is ranked sixth of the fastest growing cities in California.

Table 1 shows the number of people in the company’s target market within Sacramento County. Additional population estimates for those counties that are within a two hundred miles of Sacramento are displayed in Table 2. These estimates show that the total population, within a reasonable area, is in excess of 11 million people. Serving areas beyond Sacramento can result in potential increases in market size and market share.
According to the Limousine Charter and Tour Survey conducted in 2007, the total industry revenue is roughly $10 billion with 132,068 limousine service providers in the United States. There are roughly 100,000 consumers in Sacramento that consume limousine services. The limousine industry is fragmented with over 50 different limousine providers in the Sacramento area. Many of the limousine companies have a small fleet of one to three vehicles. With the recent acquisition of California Limousine, API Global Transportation has the largest market share and is the largest limousine company in Sacramento. The company reports having a 10% market share as of 2011.
Table 2: Population of Counties within a Two Hundred Mile Radius of Sacramento

<table>
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<tr>
<th>County</th>
<th>Population</th>
<th>County</th>
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<tbody>
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<td>Alameda</td>
<td>1,491,482</td>
<td>Sacramento</td>
<td>1,400,949</td>
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<tr>
<td>Alpine</td>
<td>1,041</td>
<td>San Benito</td>
<td>55,058</td>
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<tr>
<td>Amador</td>
<td>37,876</td>
<td>San Francisco</td>
<td>815,358</td>
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<tr>
<td>Butte</td>
<td>220,577</td>
<td>San Mateo</td>
<td>718,989</td>
</tr>
<tr>
<td>Calaveras</td>
<td>46,731</td>
<td>Santa Clara</td>
<td>407,057</td>
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<tr>
<td>Colusa</td>
<td>21,321</td>
<td>San Joaquin</td>
<td>674,860</td>
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<tr>
<td>Contra Costa</td>
<td>1,041,274</td>
<td>Sierra</td>
<td>3174</td>
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<tr>
<td>El Dorado</td>
<td>178,447</td>
<td>Solano</td>
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<tr>
<td>Fresno</td>
<td>915,267</td>
<td>Sonoma</td>
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<td>Glenn</td>
<td>28,299</td>
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<td>Washoe</td>
<td>414,820</td>
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Source: U.S. Census Bureau, “Population for all counties in California 2009”
Market Segmentation

API Global Transportation segments their consumers into two groups: retail and corporate. In the past the company has focused primarily on marketing to the retail consumers. As the company grows, they now have a large corporate consumer base. Understanding this segment’s needs and behavioral traits will be essential if the company wants to build long-lasting relationships with the consumer base. Figure 6 displays where API’s business comes from in a 31 day time period.

Figure 6: API Global Transportation Business by Source for one Month
Current and potential customers of API Global Transportation have been identified analyzing demographic, geographic, and psychographic characteristics. Table 3 displays a target market profile.

Demographic

- Individuals 21+ (unless guardians sign prom safety contract)
- Higher Volume segments are 21-40 years old
- Middle to high class income level
- Any ethnicity or race
- Retail customers are mainly women
- Corporate customers are men and women

Geographic

- Northern California is the main geographic area, but the company works with affiliates when consumers are over 100 miles away from the company headquarters
- Plan to negotiate contracts with additional affiliates to service the entire United States

Psychographic

- Retail Customers: female and relationship oriented, has a need for luxury transportation, enjoys emotional experience resulting from the limousine service, want to feel high-class, values the benefits of being pampered
• Corporate Customers: has a need for transportation, travels with the company multiple times a year, views the company as a premier service provider and refers clients to the company, maintains a positive and professional relationship with chauffeurs and administrative staff, provides financial recognition to the service-oriented drivers.

Table 3: API Global Transportation Target Market Profile

<table>
<thead>
<tr>
<th>Segmentation Variable</th>
<th>Basis for Segmentation</th>
<th>Target market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographic</td>
<td>County Regions</td>
<td>Northern California</td>
</tr>
<tr>
<td>Demographic</td>
<td>Age group</td>
<td>Women in their 20s-40s, Men in their late 30s &amp; 40s</td>
</tr>
<tr>
<td>Demographic</td>
<td>Income</td>
<td>Annual household income over $50,000</td>
</tr>
<tr>
<td>Demographic</td>
<td>Education</td>
<td>Some College, College Grad</td>
</tr>
<tr>
<td>Psychographic</td>
<td>Life style</td>
<td>Family orientation, Strivers, Makers, Achievers</td>
</tr>
</tbody>
</table>

Marketing Mix Analysis

A detailed description of API Global Transportation’s current marketing practices cover product and services, pricing, distribution, and promotion. Also included in this analysis is positioning and competition.
Product and Services

API Global Transportation is a regional luxury limousine service provider, marketing the intangible good of the ultimate experience. There are several elements that the company views make it a high-class service. The following section examines these areas – areas served, value added services, new quality vehicles and large fleet, customer-oriented staff and chauffeurs, partnerships, and the company website.

Areas Served

The company services the greater Sacramento area and some surrounding cities. The company also provides limousine services in Silver Oak and El Dorado, and hopes to service all of Northern California in the near future while continuing to expand. API also transports clients to wineries in a variety of locations including Apple Hill, Napa, and Amador County. API delivers customers to and from the Sacramento and the San Francisco airports.

Value Added Services

API offers a variety of services to consumers that are unique to the company. API employs a full time mechanic to work on all vehicles, as well as a full time employee to detail and wash the fleet. These two added benefits ensure clean and well-maintained vehicles at all times to have a smooth transition between runs. This also means chauffeurs do not have to clean up the limousines and instead they have time to add special touches to catch the consumer’s eye (i.e. candy, free water bottles, breath mints).
The company also employs a wine concierge that contacts customers who are planning a wine tour to gain an understanding of what they want to do and books the wine tour for the consumer. The wine concierge in an expert on wineries in Northern California and has relationships with many wineries. The wine concierge is able to book reservations at several wineries in one day and handles the planning and scheduling so the winery knows when to expect the party. This enables the consumers to have a stress free day with smooth transitions from winery to winery. The wine concierge can also plan a picnic for lunch and suggest the best spots for clients to go.

Another value added service is quality service and quality vehicles. The owners have stated that they would not run a company that was not based on quality and honesty. The level of quality the company expects far exceeds those of its competitors, which is clear as the company has become a destination employer as well as a company sought out by consumers.

*Fleet*

To accommodate varying party sizes, the company offers several different vehicles. The company has a large fleet size of over 20 vehicles, compared to the competition that typically has less than five limousines. Most vehicles the company offers are either brand new or less than three years old, compared to much older models offered by competitors. The company offers clients a comprehensive fleet to satisfy the diverse needs of the clientele. API offers corporate sedans, corporate SUVS, 14 passenger shuttle vans, luxury stretch limousines, town cars, super stretch SUVs, super
stretch Hummers, a 31-passenger corporate shuttle bus, and four party buses. These options satisfy both retail consumers and corporate consumers.

*Customer-focus*

Not only does the company pride itself on quality, but also on its customer-focus service from end to end. Administrative personnel answer the phones and emphasize customer service with upbeat, friendly attitudes and build rapport with clients. The phones are answered 24 hours a day to ensure customer assistance at any time. The owners even rotate the phones on weekends to make sure all calls are answered. Business development, wine concierge, sales and marketing personnel all provide customer-oriented service either by phone, electronically, or in person. All chauffeurs are provided with training and are highly linked to excellent customer service. Chauffeurs dress professionally, typically in a black and white tuxedo, and arrive early to greet the client. Chauffeurs stay with their party the entire time instead of attempting to do split runs (leaving the party to pick up another group in the same limousine). Most limousine providers have spilt runs in an attempt to increase their efficiency at the expense of the consumers, who may need the limousine in case of an emergency or if the client changes their mind on where they want to go. Chauffeurs are trained to pick up on clues or conversations and if a customer requests something, like oranges or lemons, they will put this in the limousine as the party is in a club, winery, conference, etc. The company also follows up with clients by sending hand-written thank you cards with a free API magnet,
as well as an email directing customers to join API’s Facebook page to add their photos. These actions in combination give consumers excellent customer service from end to end.

**Partnerships and Affiliates**

API Global Transportation believes building strategic partnerships is a key to their success. By partnering with a variety of local business, the company can offer additional services to their customers. API partners with country clubs, like Arden Hills, restaurants, like Ruth’s Chris Steak House, and the community center to offer theater ticket packages. Other partners include Fox 40, Hyatt Regency, California Sun, Amador Wineries, Travel Store, Entercom Radio, Primo Bar, Avalon, Good Day Sacramento, Hope Productions Foundation, and many more. API has a business development officer who teams up with partners and builds relationships to increase collaboration.

**Website**

Many limousine providers either do not have a website or they have attempted to design the website themselves. API’s website has a professional tone and appears better than competitor websites. Since the target audience does research and product search online, the company website is where consumer get to know the company at first glance. The website acts as a face of the company and must portray their quality, professional image. The website was designed a few years ago, and though it is operational and is better than most limousine provider websites, it does need a facelift. To remain consistent with the company image, API needs increased technology on the website to enhance the appeal to consumers. Most consumers spend less than 30 seconds on a web page and to
increase time spend on the site; the company needs to make some adjustments. This will ensure better connection to their target audience and can result in an increase in sales.

**Pricing**

API Global Transportation has prices similar to competitors. The prices are only slightly more than the competition, but the company often matches prices with competitors. There is debate among the management team of the pricing strategy. The company offers many value added services to the consumer, and adds high-class quality and professionalism to the industry. The company can charge a premium price for their service; however, API wants to provide affordable transportation to many different types of consumers. This idea is in conflict with having a consistent image. As a professional, high-end service provider, the company cannot appeal to everyone, particularly lower class individuals. This does not mean that they are only appealing to the upper-high class, but mainly the middle-class and higher segment. Having premium pricing reflects a high-end image that the company is striving to project. The company plans to differentiate itself from the lower quality competitors, but needs to show this in their pricing strategy as well. Having an upper class image appeals to the aspirations of middle class individuals, which is called a market pull strategy. This concept can be extremely successful for the company. Raising pricing can be a challenge because the company does not want to alienate current customers. As an already established company, they may only be able to raise prices just slightly so consumers do not notice. Whenever there
is a change consumers should be notified but in a positive way to show that clients are receiving some extra benefit or feature, rather than an increase in price.
Table 4: Pricing for API Global Transportation’s Hourly Price Sheet

<table>
<thead>
<tr>
<th>Vehicle</th>
<th>Pax</th>
<th>Sun - Fri Per Hr</th>
<th>Saturday Per Hr</th>
<th>6-7 Hr Discount</th>
<th>8 + Hr Discount</th>
<th>Min. Hr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black Lincoln Sedan</td>
<td>4</td>
<td>$55.00</td>
<td>$60.00</td>
<td>5%</td>
<td>10%</td>
<td>S/F-3</td>
</tr>
<tr>
<td>Black Lincoln Sedan</td>
<td>4</td>
<td>$55.00</td>
<td>$60.00</td>
<td>5%</td>
<td>10%</td>
<td>S/F-3</td>
</tr>
<tr>
<td>Black Lincoln Sedan</td>
<td>4</td>
<td>$55.00</td>
<td>$60.00</td>
<td>5%</td>
<td>10%</td>
<td>S/F-3</td>
</tr>
<tr>
<td>Black Suburban</td>
<td>7</td>
<td>$65.00</td>
<td>$70.00</td>
<td>5%</td>
<td>10%</td>
<td>S/F-3</td>
</tr>
<tr>
<td>Passenger Van</td>
<td>11</td>
<td>$65.00</td>
<td>$70.00</td>
<td>5%</td>
<td>10%</td>
<td>S/F-3</td>
</tr>
<tr>
<td>Passenger Van</td>
<td>14</td>
<td>$65.00</td>
<td>$70.00</td>
<td>5%</td>
<td>10%</td>
<td>S/F-3</td>
</tr>
<tr>
<td>Passenger Van</td>
<td>6</td>
<td>$65.00</td>
<td>$70.00</td>
<td>5%</td>
<td>10%</td>
<td>S/F-3</td>
</tr>
<tr>
<td>White Stretched Limo</td>
<td>8</td>
<td>$75.00</td>
<td>$80.00</td>
<td>5%</td>
<td>10%</td>
<td>S/F-3</td>
</tr>
<tr>
<td>Black Stretched Limo</td>
<td>8</td>
<td>$75.00</td>
<td>$80.00</td>
<td>5%</td>
<td>10%</td>
<td>S/F-3</td>
</tr>
<tr>
<td>White Stretched Limo</td>
<td>8</td>
<td>$75.00</td>
<td>$80.00</td>
<td>5%</td>
<td>10%</td>
<td>S/F-3</td>
</tr>
<tr>
<td>White Stretched Excursion</td>
<td>14</td>
<td>$110.00</td>
<td>$120.00</td>
<td>-10%</td>
<td>-15%</td>
<td>S/F-3</td>
</tr>
<tr>
<td>Black Stretched Navigator</td>
<td>13</td>
<td>$110.00</td>
<td>$120.00</td>
<td>-10%</td>
<td>-15%</td>
<td>S/F-3</td>
</tr>
<tr>
<td>Black Escalade</td>
<td>14</td>
<td>$110.00</td>
<td>$120.00</td>
<td>-10%</td>
<td>-15%</td>
<td>S/F-3</td>
</tr>
<tr>
<td>Black Hummer</td>
<td>16</td>
<td>$125.00</td>
<td>$140.00</td>
<td>-10%</td>
<td>-15%</td>
<td>S/F-3</td>
</tr>
<tr>
<td>Black Stretched Hummer</td>
<td>18</td>
<td>$125.00</td>
<td>$140.00</td>
<td>-10%</td>
<td>-15%</td>
<td>S/F-3</td>
</tr>
<tr>
<td>Black Limo Party Bus</td>
<td>28</td>
<td>$185.00</td>
<td>$210.00</td>
<td>-10%</td>
<td>-15%</td>
<td>S/F-3</td>
</tr>
<tr>
<td>Black Limo Party Bus</td>
<td>35</td>
<td>$220.00</td>
<td>$235.00</td>
<td>-10%</td>
<td>-15%</td>
<td>S/F-3</td>
</tr>
<tr>
<td>White Limo Party Bus</td>
<td>22</td>
<td>$175.00</td>
<td>$190.00</td>
<td>-10%</td>
<td>-15%</td>
<td>S/F-3</td>
</tr>
<tr>
<td>Black Limo Party Bus</td>
<td>22</td>
<td>$175.00</td>
<td>$190.00</td>
<td>-10%</td>
<td>-15%</td>
<td>S/F-3</td>
</tr>
</tbody>
</table>
Promotion

API Global Transportation views marketing as an essential piece of the company. An interview with the owners revealed that all believe marketing is fundamental to their success. The company utilizes a variety of tools to convey their brand to consumers. The most frequently used tools are social media, press releases, magazine articles, and direct mailers. Table 5 shows a list of marketing tools used by the company.

The company utilizes social networking websites to connect with existing and potential consumers. The Facebook page is continually updated with pictures, videos, promotions, and questions to engage consumers. Utilizing more engaging posts to involve customers is a better measure of social media success than the number of likes on the page. Adding customized tabs to the page will enhance the customer experience. For example, the company can add a testimonial tab to display consumer reviews, a tab of customer photos, and a tab that only loyal repeat customers can view. For repeat customers, the company can post specials and unique services that only these clients can view.

API writes monthly articles and publishes them on article databases, as well as in print. The articles describe changes in the company, such as press releases, and new additions to the fleet or promotions. The articles also cover tips and information for consumers. For example there are articles written about prom tips and limousine service information that are helpful to consumers. These articles also assist with Search Engine Optimization or SEO marketing. The company uses keywords and associates the words
with links on their websites so consumers are automatically linked to the company’s website. API also publishes print articles in magazines relating to special events, like weddings and quinceañeras.

API Global also utilizes direct mail. The company sends all new clients a thank you card with a free magnet. All the thank you cards are hand written to show thoughtfulness and to build rapport with the customer. The thank you cards can have a Quick Response (QR) code printed on the inside where the customer can scan the code with their smartphone and are linked to a variety of things; such as, a video on YouTube, the company website, a promotional offer, or the Facebook page. The company can develop a personalized page for consumers where they can easily post pictures and write something about their experience.

API’s promotional messaging is highly visual. To promote an experience, rather than a tangible product, the company should consider developing a television commercial and developing more YouTube videos to initiate a viral campaign. Viewing what a consumer can actually experience by choosing API will captivate potential consumers and enhance the company’s chance of gaining more business.
Table 5: List of Marketing Tools used by API Global Transportation

<table>
<thead>
<tr>
<th>Online</th>
<th>Print</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Website</td>
<td>Quinceañeras Magazine</td>
<td>Radio Ads (K-Hits)</td>
</tr>
<tr>
<td>Facebook</td>
<td>Sacramento Bride</td>
<td>Bus signage</td>
</tr>
<tr>
<td>Twitter</td>
<td>Press Releases</td>
<td>Direct Mail</td>
</tr>
<tr>
<td>Blogspot</td>
<td>Yellow Page ads</td>
<td>External Building Signage</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>Brochures</td>
<td>Trade shows</td>
</tr>
<tr>
<td>Testimonials</td>
<td>Business cards/notepads</td>
<td>Sales presentation</td>
</tr>
<tr>
<td>Yelp, Google Places</td>
<td></td>
<td>Magnets</td>
</tr>
<tr>
<td>KRCA A-List vote</td>
<td></td>
<td></td>
</tr>
<tr>
<td>YouTube videos</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limos.com Leads</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Icontact email blasts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Google Analytics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Online article publishing (SEO marketing)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Place

API Global Transportation has two locations where the limousines and staff are housed. One location is in Gold River and the other in near the Sacramento Executive Airport. The company can consider opening a smaller hub in the midtown or downtown area where many of the night clubs, venues, convention center, and hotels are located if this is a viable and cost effective solution. It is not necessary for clients to go to the headquarters locations since chauffeurs pick up the customer.

The company is in the process of opening a satellite office at Woodlake Hotel. A full time staff person will be located at the hotel to coordinate transportation for any hotel guests. API will be the sole provider for the hotel for limousine or shuttle services. Taking this new venture gradually, the company can eventually expand this offering to other hotels.

API also distributes its service offerings through email. The company has professional videos describing the service online, as well as brochures, business cards, and magnets given to a variety of businesses, clients, and partners. The company can provide travel agencies and tour operators with these items as well.

Consumers can reserve a limousine in three different ways. The first is online through the reservation system on API’s website. Consumer can also visit either location to make a reservation in person and to see the limousines. Or the most common way is to call API at either location to book through the customer service representatives. This is the most common because specific pricing options are not made available online so
people have to call to request a quote on the service. Calling also gives the company a chance to build rapport with consumers. The company has not completed marketing research to understand what method consumers prefer. A short survey could be administered to clients and their guests to gain some insights about consumer’s perspectives on the company.

Positioning Strategy

Positioning is defined as “a marketing strategy that aims to make a brand occupy a distinct position, relative to competing brands, in the mind of the customer. Companies apply this strategy either by emphasizing the distinguishing features of their brand or they may try to create a suitable image through advertising”. Positioning involves understanding what consumer’s perceptions are of the brand against competitors. Building a positioning map also helps visually see where API is positioned against competitors.

API attempts to position the brand as a quality, professional, classy experience. Not all consumers are aware of the positioning but do value API’s quality service. The company can enhance the brand image in the public’s mind so they are well aware of where API is positioned amongst competition. Using symbols, logos, slogans, and other visual representation that is associated with API Global Transportation’s image they are striving to build can develop a reinforced image.

Figure 5 shows API Global Transportation’s current position among some competitors. However, with the high level of quality service and vehicles they provide,
the company can charge a higher price to reflect their differentiated quality and value-added benefits.

Figure 7: Positioning Map of API Global Transportation

Competition

The Sacramento Limousine Community is comprised of five or six large limousine companies and approximately 45 small, part-time, transient providers. The Sacramento Limousine Industry has a very poor reputation in terms of quality, customer service, reliability, cleanliness, and customer satisfaction. These deficiencies are also the primary unique selling points that API offers to its clients. The Sacramento Limousine Industry also has a high level of company failures. Individuals purchase a limousine and attempt to operate a company. Most fail due to the complexity and financial
considerations of the marketplace or operate on a hobby or part-time basis. API has announced a 10 fold increase in gross sales over the last few years by attempting to identify the target market segments, developing strategic marketing partnerships, and filling the demand for consistent, reliable, and professional limousine service.

The 50-55 limousine companies that are in operation in the Sacramento area range in size and quality. There are several limousine providers that are small businesses with less than five vehicles. Competitors tend to be family owned or ran by a married couple, whereas API Global Transportation is run by five partners with no relation but with expertise in a variety of areas. One partner described their unique arrangement by stating that having five partners in a challenge because not everyone agrees or is on the same page, but at the same this is a key to API’s success.

Competitor Descriptions

1. Universal/Top Notch: These two companies merged in 2009 after Top Notch filed for bankruptcy. The owner, Mark Sievers, maintains a reputation for using older limousines with a weak maintenance program, which results in a low customer satisfaction experience. Universal expanded into the transportation market and provides shuttle service to Sacramento State University and airport flight crews. In December 2011, the company began expanding into the bay area market and offers eight vehicles to its new location. The fleet size in Sacramento is from 18-20 and in the bay area is 5-8.
2. Corporate Transportation Solutions: The owner, Chris Quinn, is a full time Sacramento County Firefighter. He is on the Greater California Livery Association Board and focuses exclusively on corporate and airport transportation services. The company has avoided the retail market and does very few wine tours, proms, weddings, or night clubs. The fleet size is between 10 and 12 vehicles.

3. Neuman’s: The owner, John Neuman, operates a valet parking business as well as a limousine company. The company’s primary focus is on the valet business but for the limousine side of the business they primarily provide corporate sedan services. They do not focus on the retail market but do have a Make-A-Wish contract, similar to API. The fleet size is between 12 and 15 vehicles.

4. Baja: Baja is the oldest limousine company in Sacramento. The owner, Glen Main, is almost 70 years old and has a very poor reputation in the Sacramento business and wedding community. Baja is known for misleading, gouging, and abusing clients. Baja has more client complaints filed against it with the Better Business Bureau than any other Sacramento limousine company. Unfortunately, the owner has had great influence on many of Sacramento’s limousine providers and has instilled his negative customer service orientation into the Sacramento limousine culture. The fleet size is around 12 vehicles.
5. Capitol City Limousine/Barrett Executive Transportation: Chuck and Opal who are both over 70 years old own the company. They are an older company with a loyal customer base. They have five or six sedans and a few SUVs.

6. Others: A large percentage of the operators in the Sacramento Region are one to three car owners with limited resources, no customer service or marketing background, limited staff, and no corporate infrastructure. These companies are challenged by the demands of performing all tasks in running a successful limousine business. Some smaller limousine providers are Lakeshore Limousine, MixMaster, Fretty’s Tom Fretwell, among others.

SWOT Analysis

Strengths:

- Unparalleled reputation of quality products and services in the marketplace, including quality vehicles, chauffeurs, and staff
- The reputation for professional limousine service is spreading throughout the Sacramento region where many limousine companies do not provide decent service to consumers
- Known for end to end valued customer service
- High willingness to invest for growth
- Destination employer for chauffeurs
- Identification of target market segments and strives to leverage unique selling points
● Enhances the focus on the emotional experience for clientele and not the uniqueness of the limousines

● Referral and existing client business is a large portion of the business

● Company-wide commitment to ethics, professionalism, training

● The company answers the phones and provides friendly, female oriented customer service 24/7, which competitors do not offer

● Sales and marketing experience and expertise

Weaknesses:

● Management team disagreements, time availability and commitment, varying management skill levels

● Poor financial margins, profitability, and inadequate reserves

● Insufficient daily operational oversight

● Consistency of focus and no public or community “face” of the company

● Lack of on-site, full-time, consistent management of staff

● Corporate and operational infrastructure is not solidified, the speed of implementation is limited, and difficulty in solving problems efficiently

● Lack of structure within the entire organization

● Procedures are informal, inconsistent, and contradictory

● Drivers do not understand the company slogan, service philosophy, target markets, goals, or product differentiation and do not actively promote the company and are not incentivized to do so
• Lack of a comprehensive knowledge of competitors – fleet size, marketing, pricing, specialties, and competitive advantage

Opportunities:

• Expansion of the company to service all of Northern California
• Department of Defense Contract to possibly service entire United States
• Transforming the company to be a transportation event coordinator
• Develop corporate markets: hotels, flight crew shuttle, corporate accounts
• Implement affiliate marketing programs to be able to service a wider market
• Identify target market and understand client demographics to allow the company to tailor and customize marketing efforts
• Perform market research such as a Customer Survey Program to assess and understand the needs of the clients and their perception of value added services, the customer experience, opportunities for improvement, or “the ultimate experience”
• Devote sufficient time and resources to existing clients which are the largest source of revenue

Threats:

• High competition in the transportation industry
• Threat of substitutes of other livery services: airplane, bus, light rail, BART, taxi
• Competitors price discounting and price wars with competitors
• Uncontrollable costs such as volatile fuel prices and insurance
• Legal liabilities such as Business Travel International, overtime legislation, wage and hourly laws
• Common bankruptcy of other limousine providers in the area
• Sacramento limousine providers have a bad reputation overall, especially in terms of quality and service

Unique Selling Proposition

• The company fleet size is much larger and more diverse than most Sacramento operators allowing the company to meet the needs of larger corporate and charitable organizations.
• The owners bring 15 plus years of limousine operations expertise and 25 plus years of sales and marketing success as well as extensive backgrounds in small business consulting and development experience. This expertise offers a sales, marketing, and management advantage over competitors.
• The owners have Bachelor's and Master's degrees in Business, Finance, Computer Science, and Marketing Psychology allowing them to communicate professionally with retail and corporate customers.
• API focuses on identifying, providing, and enhancing the “Emotional Experience” for clients which results in a high level of customer satisfaction, client referrals, positive client testimonials, and significant repeat business.
• The company employs a full-time General Manager, Customer Service Staff, mechanic, wine concierge and detailer.
The company maximizes the use of traditional media, social media marketing, and viral marketing techniques. They have invested heavily in Google Pay Per Click, Web site development, and Search Engine Optimization to leverage the use of Internet marketing technology.

The owners are willing to invest in the growth of the company.

In 2009, 2010, and 2011 the company has been recognized as the Best Limousine Company in Sacramento by the voters of KCRA A-list.

The company has doubled gross revenue each year for the last five consecutive years during a period of severe economic recession.

The company treats staff and chauffeurs as respected and valuable customer service partners and in a manner that reflects the personal and corporate values. By doing so, staff and chauffeurs engage the customers using the highest level of concierge style customer service resulting in high customer satisfaction and repeat business.

The company hosts a Summer Party, Christmas Party, and Staff Appreciation events each year to recognize and thank staff and their families for supporting the company.
Chapter 5

THE MARKETING PLAN

A marketing plan will assist API Global Transportation in identifying areas for improvement and setting up a structured way to organize marketing activities. Having a written plan will allow for structure in the organization and will display commitment and accountability by the company to its goals.

Statement of Goal

API Global Transportation’s goal for the 2012/13 fiscal year, determined by the management team, is to reach $2.2 million in sales revenue at the end of 2012 by developing affiliate programs, expanding the retail and corporate markets, and increasing repeat sales.

Mission

To serve, to provide, to contribute, and to benefit from the application of our personal and professional values. To become the number one transportation provider with 98% customer satisfaction within our region.

Vision

To become the premier provider of luxury transportation services for consumers in the Northern Californian region. This will be achieved by offering relationship oriented customer service, professionally trained chauffeurs, attractive, safe, and immaculate vehicles, and the highest level of value added services to our clients. We will succeed by developing a technology-advanced referral driven professional service
business, which is respected and supported, by clients, affiliates, and the Sacramento community and beyond.

Objectives and Strategies

Marketing Objectives

1. Establish a distinctive brand image and awareness of API Global Transportation in the Sacramento region.

2. Broaden and deepen the size of the market segments that API Global Transportation services.

3. Increase market share from 10% to 15% in the next year.

4. To establish integrated marketing communication in all marketing: advertising, publicity, direct marketing, and sales promotion.

Strategies

1. Establish a single logo for the company to be distributed on all marketing communications. This way consumers can identify the logo and brand easily and causes less confusion.

2. Place the company logo on all vehicles and on external signage at both headquarters locations. Seeing the logo multiple times will reinforce the brand recognition.

3. Create a distinct personality for API Global Transportation that consumers can identify with. For example, a busy, intelligent, lively, on-the-go woman in her 30’s who makes time to relax and play with her friends and family. She values
quality service and believes she deserves a break from her busy schedule. This personality description can identify with corporate and retail consumers.

4. Position the company as a quality experience that is not offered by competitors.

Understanding consumers opinions of limousine companies will help API Global Transportation understand where they are positioned against the competition.

5. Implement simple metrics to measure customer satisfaction, such as a follow-up survey, email, or phone call to ask the consumer about their experience. Results should be recorded and measured.

6. Work toward having positive results with the disconfirmation paradigm, which is defined as satisfaction with a brand as a result of the difference between expectations and post-purchase perception of the product or service performance. This means that the company’s offerings should meet or exceed consumer expectations. If the company oversells its services and consumers high expectations are not met, this could damage the brand.

7. Conduct an in-depth survey of loyal API Global Transportation consumers to understand the current audience, in particular their attitudes and behaviors. Identifying key purchase motivators and barriers will help the company understand the consumer better and assist in analyzing the most effective marketing tools to reach this audience.

8. Interpret barriers to purchase limousine services and create and implement a plan to remove the barriers to reach other segments of potential cliental.
9. Create a separate marketing program for corporate clients and a separate landing page on the company website to identify with these users.

10. Perform data mining and database marketing to understand how often a client purchases, how much they spend, and the last time they purchased to understand existing clientele.

11. Increase customer relationship management because retaining existing customers is cheaper than gaining new customers.

12. Actively participate in the Sacramento community events to collaborate with potential partners and affiliates to grow the business.

Product/Service Objectives

1. Offer a wide selection of limousines to satisfy the needs of multiple consumer segments.

2. Collaborate with local businesses and chains to offer diverse service packages to consumers.

3. Supersede consumer’s expectations by provided consistent quality service from product search (ie website) and administrative staff to chauffeurs.

4. Redesign the company website with the brand personality in mind. The website is where consumers first view the company and must fit the image API Global Transportation wants to portray.
Strategies

1. Maintaining an extensive and current fleet to offer new, attractive offerings to consumers. Look into hybrid vehicles that take frequent trips. Purchasing or leasing hybrid vehicles to do airport runs would save greatly on fuel costs and appeal to consumers who value socially responsible companies.

2. Look into a variety of limousine suppliers to offer unique limousines that are not offered by competitors. Or simply adding extra touches to make the limousines unique like specific decorations for events or rented laptops for the corporate consumer segment.

3. Collaborate with theater companies, restaurants, community centers, and event planners to offer diversity in services. Partner with the Music Circus and Esquire Grill to offer a “night on the town” packaged deal. This will be tied in with a promotion so existing and potential consumers are aware of the offers.

4. Collaborate with a variety of wineries to offer wine tour packages. Also, collaborating with the bay area sites and tourism to offer unique service packages to consumers.

5. Cooperate with affiliates to offer transportation services in areas over 100 miles away from the Sacramento region.

6. As a long-term strategy, partner with the government locally and nationally to be the sole provider of coordinating transportation needs in the United States.
7. Offer seasonal packages, like Halloween pumpkin patch tours, to gain loyalty from existing clientele as well as attract new customers.

8. Develop a professional website with more advanced technology (ie Flash). The website will have 360 degree views of inside each limousine to give consumers a complete view of the inside environment. Having an interactive website will give consumers the opportunity to get to know the brand and build a relationship with the company. Offering consumers an easy way to build their route, trip, event, wine tour, etc. online would also enhance the image and service offering.

9. Complete an analysis of the SEO marketing efforts and improve article publishing and keyword usage that lead consumers to the website.

**Pricing and Distribution Objectives**

1. Price services according to the image the company wishes to portray.

2. Build buying incentives into pricing to encourage purchases through service packages.

3. Establish attractive affiliate pricing to build long-lasting partnerships.

4. Establish a single headquarters location with satellite offices at other locations.

**Strategies**

1. API Global Transportation has valued added services such as wine concierge, full time mechanic on staff, full time employee who details and washes the vehicles, business development and marketing staff, gives thank you cards to consumers with free API magnet, and similar offerings. All these services are unique to API
and are what gives the company a quality, high-class image. Price matching with competitors who are not nearly as committed or offer the same quality service and valued added services, provides an inconsistent image and can damage the brand. Offering premium pricing does not only appeal to high-class consumers but to the middle class clients who aspire to feel high-class. This is called a market pull strategy and if used properly can be implemented gradually to display API as a quality transportation provider and an industry leader.

2. Offering packaged deals will allow the company to give a small discount to consumers. Offering theater tickets, dinner at a fancy local restaurant, and a four hour limousine service for $500-$600 as a package deal provides an incentive for consumers to purchase.

3. Building relationships with affiliates will help the company provide transportation services outside of California. Providing an attractive pricing package to these partners will encourage the development of long-lasting business relationships.

4. Establish satellite offices in hotels (like Woodlake Hotel), convention centers, and airports.

5. Establish a single headquarter location and determine if warehousing vehicles in other locations is more convenient for consumers while remaining cost effective.

Advertising, Promotion, and Media Objectives

1. Create an advertising and promotional plan.
2. Develop a clearly defined and memorable image for API Global Transportation based on product/service benefits and features.

3. Create loyalty by promoting API as a transportation coordinator.

4. Enhance awareness by concentrating efforts in media relevant to the target audience.

5. Utilize both paid and free marketing communication methods to maximize the public presence.

**Strategies**

1. Assess current visibility and name recognition.

2. Continue use of slogan, “you deserve the ultimate experience”, for the company. Assess if consumers are aware of the slogan. Use the slogan constantly to enhance consumer knowledge. Responding to consumer posts on social networking sites like Facebook with the slogan as a signature for every post will make consumers more aware.

3. Develop and consistently use the API Global Transportation logo on all marketing communication to instill integrated marketing communication.

4. Create a favorable brand personality to differentiate the company from other limousine providers (who typically do not have strong branding).

5. Emphasize unique product qualities with the company by illustrating a distinctive, ultimate, and professional experience.
6. Leverage partnerships with local and national businesses to aid with advertising efforts; such as, Create-A-Card who designs magnets given to consumers for free, K-Hits, KZZO Now 100.5, 107.9 The End to advertising radio commercials, Partner with the California Travel and Tourism Commission to utilize print advertising in Visit Sacramento Guide that has high circulation and promotes visiting Sacramento and tourism, Partnering with travel agencies, like Superior Cruise & Travel, can help API advertise by having brochures available to give to consumers, Brochures and other print advertising (ie magazine articles, review or customer testimonial, promotional flyer) available at Sacramento River Cats games, country clubs (i.e. Arden Hills, Dante Club), bridal shops, airports, hotels, funeral homes, event planners, attorneys and lobbyists, wedding venues, wineries, nightclubs, venues, high schools, and colleges can bring in new segments.

7. Expand social media and networking efforts to drive more potential consumers to the website and to build relationships with new and existing clients. A series of sales promotion like contests, gift certificates, online interactive promotional games, and social media scavenger hunt will be consistently posted on the Social networking websites such as Facebook, Twitter, Blogspot, Pinterest, LinkedIn, and email blasts through iContact.

8. Attend trade shows and conventions, such as Leadership Conference, Limo Digest Show, with API Global Transportation merchandise (brochures, magnets, fliers, t-shirts).
9. Offer a loyalty reward program to repeat customers to gain points for either a free hour of limousine service or other prizes. Offer a tab on Facebook specifically for loyal customers and they will be the only ones with access to the tab.

10. Implement an in-limo photo campaign for consumers to submit photos and these will be posted on the website and on API’s social media websites.

11. Build relationship with local television stations and develop a television commercial during daytime TV when the target market would be watching. The messaging API wants to deliver is highly visual and the best channel to present their experience is through a TV ad.

12. The total marketing budget for the year is estimated at $18,410.20 (Table 6).
Table 6: Marketing Budget for Fiscal Year 2012/13

<table>
<thead>
<tr>
<th>Activities</th>
<th>Cost</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local TV Commercial Production</td>
<td>$500</td>
<td>$5 per 1,000 views; 100,000 viewers</td>
</tr>
<tr>
<td></td>
<td>$2,500</td>
<td></td>
</tr>
<tr>
<td>Radio Advertisement</td>
<td>$0</td>
<td>Trade Services</td>
</tr>
<tr>
<td>Magazine Print Ads</td>
<td>$1,600</td>
<td>½ page ad</td>
</tr>
<tr>
<td>Quinceañera Magazine</td>
<td>$0</td>
<td>Trade Services</td>
</tr>
<tr>
<td>Bride Magazine</td>
<td>$2,000</td>
<td>½ page ad</td>
</tr>
<tr>
<td>Sacramento Visitor Guide</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Mail</td>
<td>$1,000</td>
<td>$.25 a piece, 4,000</td>
</tr>
<tr>
<td>Thank you Cards</td>
<td>$750</td>
<td>$.15 a piece, 5,000</td>
</tr>
<tr>
<td>Google Pay Per Click</td>
<td>$2,550</td>
<td>3 months, test effectiveness</td>
</tr>
<tr>
<td>Facebook Ad</td>
<td>$1,550</td>
<td>One month, $50 per day, $.85 per click, can specify target market</td>
</tr>
<tr>
<td>Website Redesign (Professional Level)</td>
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<td>Discounted</td>
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<tr>
<td>Icontact E-Newsletter</td>
<td>$451.20</td>
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<td>Brochures</td>
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<tr>
<td>Total</td>
<td>$18,401.20</td>
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</table>
Chapter 6

SUMMARY

API Global Transportation’s goal is to provide consumers with a memorable experience shared with loved ones, friends, or colleagues. The proposed marketing plan aims to promote the experience consumers obtain from choosing API as their transportation provider. The goal of the proposed marketing plan is to increase consumer awareness of the brand and gain consumer loyalty. Utilizing a combination of services, promotion, and channels the plan can assist the company in reaching their goals within their budget constraints.

Implementation Plan

Carefully coordinating the strategies and tasks described in this marketing plan is essential for the success of the plan. Managing the implementation of the plan with short and long-term goals will help to decrease disorganization and miscommunication. A budget should be followed in order to meet particular objectives and sales goals for the organization. As a small business, synching the budget and cash flow is a problem that must be considered when implementing the plan. Cash intensive marketing objectives should align with cash flow in order to proceed.

Evaluation Mechanisms

Measuring the effectiveness of the marketing plan is essential to interpreting the success of the plan. To interpret success, it is essential to continually evaluate the success of the marketing plan to make necessary adjustments and improvements and adapt to the
changing market. Evaluation mechanism can assist API Global Transportation achieve successful planning. The following are evaluation techniques for the company to implement:

- Conducting market research will enable the company to understand API Global Transportation’s image according to the consumer’s perspective through surveys given in the limousines and online through social media outlets. Chauffeurs can leave short three to five question surveys, along with a treat, in the limousines for clients to fill out toward to end of their outing. This will not only gain the perspective of the paying customer but also to guests aboard the limousine who may become potential clients in the future. Results should be documented and interpreted to understand how well the company is branding themselves through marketing efforts.

- Net income, or total profit, and gross margin amounts will be used to measure the effectiveness relating to the profitability of the plan. The gross margin represents a percent of total sales revenue that the company retains after incurring the costs associated with producing the services offered by a company. The higher the percentage, the more the company will retain on each dollar of sales in order to service its other costs and obligations.

- Return on Investment should also be used to measure the efficiency on an investment or several investments. If an investment does not have a positive ROI,
or if there are other opportunities with a higher ROI, then the investment should not be undertaken.

- Provide comment cards in the limousines for consumers to give feedback to the company. Giving consumers the opportunity to express their experience will encourage them to write a review or to even become a loyal customer. Consistent feedback can be mentioned on social networking sites to give recognition to consumers.

Conclusion

Increased brand awareness and a developed brand image and personality, conveyed to the public in the new fiscal year, will be the vital element to the success of API Global Transportation. The implementation of the proposed marketing plan is expected to not only meet management team’s goals in terms of the increased number of cliental but also enhance the local awareness about API Global Transportation.
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