[Year]

**Marketing Plan for BHIC Bhd.**

**Executive Summary**

A marketing plan is nothing but a report that highlights the plans and strategies that would be followed by a company in the coming year in order to launch a new product line or simply improve the current ones. BHIC Bhd. is involved in Shipbuilding, Ship repair, Fabrication, Heavy-engineering and Defence-related activities. It is the subsidiary of Boustead Holdings, which was founded in the year 1828 in Singapore.

Malaysia is a federal parliamentary monarchy and there is a prevalence of a multi-party system. The political stability of the country has the ability to attract more and more foreign investors in the markets and even provide a great support to the current leading businesses in the country. There are three main groups in the Malaysian Population, Viz. Malay (around 55-60%), Chinese (around 27-30%) and Indians (8-10%). The country still needs to work a lot on its technological sphere so as to compete with the competitors at the global level. Despite this fact, among all the other Asian countries, Malaysia is rapidly adopting the ongoing technological transformations at the global level. The development in the country is at a rapid pace and because of this there have been a number of negative influences on the environment.

As the company has faced a decline in the sales of a particular product line, then there are chances that the quality of the product has been compromised. In order to re-establish the product line, it is crucial that the quality of the product is improved so that the satisfaction of the customers is regained.

Marketing strategies of a company comprise all the marketing goals in a single comprehensive plan. In order to prepare a good marketing strategy, the company executives should have done an extensive market research and should concentrate on product mix so as to achieve maximum profit and sustain in the competition for a longer duration.

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# Introduction

The changing scenarios of marketing are posing a great challenge to the heavy industry companies in Malaysia in-spite of their competitive position in the domestic and foreign markets. Development of a marketing plan is a creative way for the company to a give a new direction to its business. A marketing plan is nothing but a report that highlights the plans and strategies that would be followed by a company in the coming year in order to launch a new product line or simply improve the current ones. It is a business’s operational document which describes the marketing objectives involved in accomplishing the specific marketing objectives in a given time frame (Boustead Holdings Berhad, 2017).

The company that has been chosen here is the Boustead Heavy Industries Corporation Berhad. The company is involved in Shipbuilding, Ship repair, Fabrication, Heavy-engineering and Defence-related activities. It is the subsidiary of Boustead Holdings, which was founded in the year 1828 in Singapore. BHIC’s principle companies include Boustead Naval Shipyard Sdn Bhd, Bousted Penang Shipyard Sdn Bhd, Boustead Yachts Sdn Bhd, PSC Tema Shipyard Ltd, BHIC Allied Defence Technology Sdn Bhd and BHIC Bofors Defence Asia Sdn Bhd. The report has been prepared due to decreased sales of one of the product lines of the company so that new tactics could be suggested to increase the sales and marketing in the continent. For an ease of understanding the report has been divided into a number of sections and each of the sections are related to one another in one way or the other. The first section will deal with the marketing audit or the Situation Analysis of the Malaysian markets. This section is followed by the discussion of the marketing objectives adopted by the company while introducing a new product or strategy. The third segment deals with the marketing strategies and the programmes installed in order to reach the correct target market. The fourth segment is of the finance and budgeting discussing the costing that would be involved in preparation of the most suitable marketing plan for improvement of the declining costs. The last section is for Monitors and controls that could be adopted for analyzing the activities that could monitor the proposed marketing plan and suggest controls for the same (SBDC, 2012).

# Situation Analysis (Marketing Audit)

Malaysia is an attractive market for a number of investors. Being one of the most developed countries of Southeast Asia, Malaysia is on its way to become a high income nation. In order to gain deep insights into the country’s market, a PESTEL Analysis has been conducted below:

**Political Environment:** Malaysia is a federal parliamentary monarchy and there is a prevalence of a multi-party system. The political stability of the country has the ability to attract more and more foreign investors in the markets and even provide a great support to the current leading businesses in the country. Malays (Bumiputera) takes all the crucial political decisions. Only one government exist called Barisan Nasional (BN) which primarily comprises of three parties, namely the United Malays National Organization (UMNO), Malaysian Chinese Association (MCA) and Malaysian Indian Congress (MIC). These three parties ensure that there are no racial conflicts among the citizens and a more harmonious community is established (ASEAN UP, 2017).

**Economical Environment:** The economic reformations and heavy FDI has made the country a rapid growing economy in Asia. A moderate growth, at an annual rate of 4.7% has been observed during the last decade. The increasing market opportunities have attracted investments from a number of neighboring countries like India and China. The Malaysian Industrial Development Agency or the MIDA has adopted a number of strategies to attract the Chinese investors for great investments. The Malaysian markets have been ideally placed to engage in international trade. The Inflation rate is 0.4% and the population below poverty line is 3.5%. Under the prevailing economic policies, the country is attempting to achieve high-income status by 2020 (Market Research Reports, Inc.., 2017).

**Social Environment:** There are three main groups in the Malaysian Population, Viz. Malay (around 55-60%), Chinese (around 27-30%) and Indians (8-10%). These different varieties have mixed so well that the country is seen as an example of racial harmony and the culture has also become rich and vibrant. The diversity in the culture is also reflected in the business and almost all the companies readily support the concept of workplace diversity by employing personnel of the different cast, creed, religion, language and tradition. The dominant religion of the country is Islam, but, only the Malay Muslims have to consider Islamic laws. The castes and classes of the population depend upon the political connections, ability to converse in English, family money and property and specialized skills in a certain area. The elite class of the country is trained in the foreign countries and continues to grow in dominance.

**Technology:** The country still needs to work a lot on its technological sphere so as to compete with the competitors at the global level. Despite this fact, among all the other Asian countries, Malaysia is rapidly adopting the ongoing technological transformations at the global level. This shows that the country is could innovate at a very fast pace. The country is rapidly employing its innovative ideas in the development of the network of highways (seaports and airports), which has the capability to provide efficiency to a number of industries. The revolution in the telecommunication industry with the introduction of latest digital and fiber optics technology has made an impressive expansion in the country’s telecommunications (ABP, 2013).

**Environmental Analysis:** The development in the country is at a rapid pace and because of this there have been a number of negative influences on the environment. According to a research conducted by the UN, the country’s deforestation rate has been increasing rapidly as compared to any other tropical country. The environmental impacts of the industries have been criticized heavily by the environmental groups as because of this lot of rare wildlife species have lost their habitat. The pressure groups like the Greenpeace and World Wildlife Fund have been protesting and demonstrating against the foreign firms which have been continuously contributing in the environmental damage and due to this the new entrants in the country have to be a bit alert and focused.

**Legal Analysis:** The legal system of the country is based on the British Common Law and the constitution has been adopted from the Indian law. The Muslim population of the country, however, follows its own Islamic Legal System. The British law is beneficial for the foreign entrants as they are very well aware of the norms of the legal system. The punishments for breaching the laws are much harsher including death penalties and flogging. There are myriads of courts, including the Federal Court, High Court, Court of Appeals, Session Court, Juvenile Court, etc. (UN Org, 2002).

# Marketing Objectives

Here in this report one of the product lines of the company has been drastically affected and its sales are declining rapidly. So, in this situation, it is required that the marketing objectives are designed to increase the sales and re-establish the profit rates. The prime marketing objectives are enlisted below:

* **Improvement in the quality of the products:** As the company has faced a decline in the sales of a particular product line, then there are chances that the quality of the product has been compromised. In order to re-establish the product line it is crucial that the quality of the product is improved so that the satisfaction of the customers is regained. The product quality could be improved by using the good quality of raw material for manufacturing and even ensuring that the processing is done in a best manner. The executives could also monitor the entire process to avoid any kind of error. The weekly product sample reviews, physical testing or visual inspections are the prime strategies that could be included (WebpageFX, 2017).
* **Ensuring Safety of the Employees:** There are a number of heavy equipments on which the employees in a company rely. These equipments act as assets for the company, but at the same time there are a number of associated risks. There are chances that the employees may be burned by heating elements, leaked liquids may cause accidents or slips and equipments at heights may cause falls. In such cases, it becomes the duty of the supervisors to reduce chances of injury or accident. In such a case, the company could introduce more regulations and could even offer incentives to those customers who actively support the idea of being accident-free.
* **Establishing good communication with the vendors:** The vendors are very important in heavy industry companies as their supply of raw materials ensure the manufacturing of high quality of products in a given time frame. It is crucial for the executives maintain a good communication with the reliable vendors who offer raw materials and other machinery and equipments to the company. The strategies that could be implemented in this case are introducing a number of offers for the vendors to attract and retain them for a longer duration and availing services from multiple vendors so that in case the supply from one vendor fails then the others could supply more and compensate the loss (Pondiuni, 2013).
* **Maintenance of the equipments and machinery:** In manufacturing and heavy company industries, the machinery and equipments could easily wither and hence manufacture low quality products. The continuous use of such equipments usually allows the machinery and other metal articles to suffer rusting or cracks and due to this they are not able to produce products at a high rate. In such a case, it becomes a responsibility of the executives to improve the condition of these manufacturing equipments or simply replace them with a new one. The strategy that could be adopted here is to approach the leading sellers of the equipments in the market and try to replace the old ones with the new and innovative ones at a decent and affordable rate.
* **Maintaining efficiency and costs:** Efficiency is directly or indirectly related to costs. The more efficient are the products and services of a ccompany, the lower are the costs. To be more efficient it is required that the workers complete the task in a given timeframe while utilizing the available resources of a company in a judicious manner. To attain this, the company might have to hire additional staff members or have to encourage the current staff members to work overtime (Abahe, 2012). The inefficiency in the processes may cost a company to lose its crucial resources and subsequently the costs associated with it are also wasted. Hence, it is required that the manufactures maintain the efficiency of the product along all the business units of a company.

# Marketing Strategies and Programmes

Marketing strategies of a company comprise all the marketing goals in a single comprehensive plan. In order to prepare a good marketing strategy, the company executives should have done an extensive market research and should concentrate on product mix so as to achieve maximum profit and sustain in the competition for a longer duration. Being the foundation of a marketing plan, the marketing strategy has to be built keeping in mind the demands of various stakeholders of the company. The prime strategies have been given below:

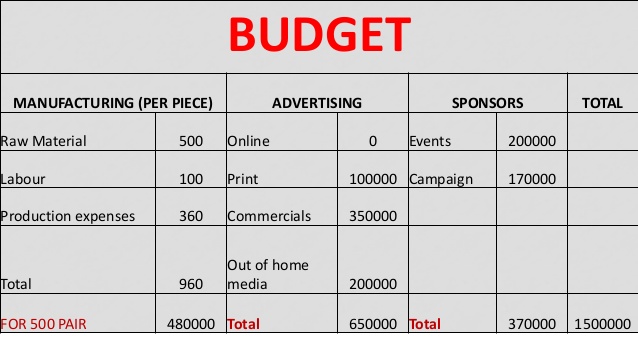
* **Product Repositioning: C**ertain product line of the company has faced a rapid decline in the sales, so it is important for the firm to reposition it in order to win back the trusts of the trusts of the customers. To reposition a certain product, the executives are required to suggest a new position for the product that is far better than its previous one. Repositioning is crucial because it allows targeting a new customer base that could be profitable for the firm. Also, when competition in a certain market increases immensely, the marketing experts advise the companies to reposition their products targeting an entirely new market with new consumers and marketing trends (Randi, 2013).
* **Product Design Strategy:** As the sales and profit rates are to be increased then the company could also change the design of its current products so as to meet the changing needs of the customers or simply their new emerging needs. The strategic options that could be undertaken here includes: development of an n entirely new standard product, development of a customized product to meet the specific needs of individual customers or simply developing a standard product with slight or heavy modifications. The first strategy is adopted to increase the overall economy of the company while the second one is adopted to compete against the mass producers of the standard products by allowing flexibility in the development of products. The third strategy includes a combination of benefits of previous two strategies (Hooley, et al., 2012).
* **New Product Strategy:** A new product is launched in two ways: (a) the product is new to its previous line of production, or (b) the product provides a new type of satisfaction to the customers. A company could introduce a new product and provide new experiences to its customers in order to regain the profit and re-establish the sales. For such a purpose the company executives could either modify or improve the existing product to make it more demanding and attractive or could also imitate any existing successful product of the competitors to provide a similar experience to its own customers. There is also a possibility of the introduction of an entirely new product whose concept has not been proposed by any of the opponent in the market. But, this process may require a lot of human resources and financial supplies and even the time taken would be quite more as compared to a simple modification in the current product line.
* **Promotion Mix Strategy:** The Company could promote its product by having a robust and responsive website. This would help the company to the customers and investors placed far away from the actual location of the company. The website should be optimized for all types of search engines so that it could be easily searched by the current and potential customers. Also, the company could adopt the strategy of content marketing in which blogs; article images, videos and other informative products are created for the website. The most common among these are blogs in which the company could write about its products and could even discuss the current problems and issues of the customers to make them feel more connected. The daily news and ideas about the firm could also be discussed in the blogs (Isoraite, 2009).
* **Social Media Marketing:** In Social media marketing, new accounts are created for the company on the leading social sites such as Twitter, Facebook, LinkedIn, etc. The social sites are more valuable for a company because it allows connecting with billions of people globally. These platforms allow promoting the site’s content easily and quickly. No matter what kind content is shared by a company, but a company succeeds rapidly if it keeps on providing the potential customers with interesting or useful information.
* **Distribution Strategy:** A number of distribution strategies are available for the company. The company could follow the strategy of Exclusive Distribution, in which only a single retailer is granted sole authority to serve in a particular area. There is also an option of Inclusive Distribution, in which the products are made available to all possible retailer outlets. Also, the strategy of Selective Distribution could be followed in which many, but not all retail outlets are given the rights to sell products in a particular area (DeMers, 2016).
* **Pricing Strategy:** As the company has faced a decline in a certain product line and if it introduces a new product or reestablish the similar one, then it might require a lot of financial resources in both the cases. In this situation, it is advised that “Penetration Pricing” strategy could be adopted by the company. In this strategy a low price is set in the starting phase of product development. This will subsequently allow the firm to overcome the financial losses that have been created while restoring the proper conditions of the damaged product line. Also, this approach will discourage unwanted competition from the rivals, which is created when a company enters a market by quickly acquiring a large market share. The company could also support the concept of “Flexible Pricing strategy” in order to charge differently for a single product. This approach will maximize the short-term profits and will also build traffic by allowing upward and downward price adjustments.

# Finance and Budgeting

Creation of a reliable budget is important part of a marketing plan. This makes the plan more realistic and also helps in improving the revenues. In the absence of a solid budget, the marketers are likely to overspend on marketing costs. The two crucial steps could be followed by the chosen company to prepare the most effective budget:

1. Organization of the current financial situation of the company by identifying how much money does the company makes in a month and what are the possible variations that might exist.
2. Determination of the areas where the spending has to be done. The three major factors acting in this step are the budget size, the past experiences of the company and how and where the right audience could be reached (Conley, 2015).

Below is an excerpt of the budget and finance that could be adopted for the above marketing plan:



Note: All the above prices are in dollars and the above budget is for replacing the current product line with the entirely new one.

# Marketing Monitors and Controls

Marketing monitors and controls are implemented in order to increase the reliability of a Marketing Plan. The controls are used as a tool to determine the progress of the plan as compared to the projections made. Marketing controls involve a series of measurements that determine whether the marketing plan is proceeding as expected. The fact that the Monitoring and Control section is the last one in the marketing plan often downplays its importance. The company could develop effective performance measurement indicators if it is able to understand the actual roles of controls in a marketing plan. Here are some approaches that could be adopted to monitor and control a marketing plan:

* **Customer Feedback:** The prime aim of marketing is to encourage a customer to buy a certain product or service and make a profit for a firm. The prime control that could be put in any marketing plan is to monitor the valuable customers’ feedbacks. For this a number of online or offline polls and surveys could be conducted. The customers could be reached through online platforms and could be asked about the current marketing plan, its strengths and limitations. Surveys could be conducted via phones or personal interviews. The essentials of the marketing plan then could be adjusted according to the received feedbacks (Kauffman, 2007).
* **Budgeting:** When defined in precise terms, then marketing budget is the balance between the cost of generating the promotion materials and the revenue generated by the marketing plan. A number of controls could be placed to monitor a marketing budget. The company could monitor the expenses of the promotion channels like development of websites and other paid promotions on the social media platforms. These costs are to be closely monitored in order to minimize the spending while maximizing the profit rates. The examination of expenses allows the executives to evaluate where the increasing spending is being done.
* **Market share:** The controls placed in this sphere allow the executives to analyze the market share before and after the plan is installed. The marketing plan of a company may call for an increase of market share by 5% by the end of the marketing plan. In order to implement the controls, the executives could set milestone percentages that would be achieved on the way to the 5% increase (European Commission, 2007).
* **External factors:** There has to be a control over the available external factors, so that the projected goals of a marketing plan are achieved on time. For this, the company could closely monitor the external changes like the shifts in the economy, the best moves adopted by the competitors and the present and future implications of the changes that have been adopted (Smith, 2016).
* **Marketing audit:** A periodic review of the company’s strategies and objectives is crucial to allow the firm to get well adapted to the changing marketing scenarios and behavior of the consumers towards buying a certain product. A marketing audit could be conducted on a regular basis to ensure that the activities of the company are in close compliance to its prime goals and objectives.
* **Market Effectiveness review:** The company executives could also target to review the effectiveness of the marketing effectiveness. For this, the firm could hire experts who have gained experience in gathering adequate information about the prevailing trends in the markets and what are the specific activities that are to be adopted to gain huge customer bases in a given time frame (Precision Group, 2014).

# Conclusion and Recommendations

From the above discussion, it could be concluded that as the BHIC Bhd. faces a rapid decline in the sales and profit rates of its particular product line, so it is advised to implement an effective marketing plan that either re-establish the product line or simply creates a manufacturing and selling of an innovative product in the market. The above marketing plan has been designed keeping in mind all the possible challenges that the company could face in the coming future. The plan could only succeed if the company adopts the standard activities and keep a regular track of them. For further improvements it is advised that the company executives adopt benchmarking to keep the employees aware of the standard of services made available by the competitors in the market. Also, for better results, a close monitoring could be done of the ongoing activities so that the flaws are discovered and removed at an early stage.

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