

Q-Music (Marketing Plan)

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Abstract: This report aims to foster Q-Music awareness among youth of South East Queenslanders. Q-Music Established in the year 1995 is the Queensland's Music industry Development Association (QMusic). Big Sound, Queensland Music Awards, Industry Connects, Billy Thorpe Scholarship, Grant McLennan Fellowship (QMusic) are some of the major opportunities provided by Q-Music to enhance Musicians' professional development. This report is mainly focused to increase High School, TAFE and University students' Q-Music membership. We recommend lowering the membership fee. Other state Music Associations offer membership at either free or low cost. It is also suggestion to develop student oriented membership category. Eligible Student members should also get discount on Big Sound One Night and Rainbow Pass.

Keywords: Resource allocation & monitoring, Q-Music Membership, Strategy formulation, Goal Setting.

1. GOAL SETTING

1.1 Mission Statements:

Q-Music's mission is all about to advance the artistic, cultural and economic value of Queensland contemporary popular music (QMusic). Q-Music is committed to encourage as well as support youngsters who seek lucrative and meaningful career in Music industry whether as Musicians, Singer, lyricist, Music producer, Disco Jockey, Entrepreneur etc. In all its' initiative Q-music strives to maintain cultural diversity and gender equality along with sufficient representation from both indigenous and regional Queenslanders.

Q-Music offers its' membership to the high school, TAFE and University students at affordable price. This report suggests the ways to make maximum student members of Q-Music.

1.2 Membership Marketing Plan Goals:

At present Q-Music offers its membership in four different categories. However all categories gave more or less same kind of benefits. The table below shows the benefits available to the different kinds of members.

Benefits to the member→

Table 1: Types of membership and benefits related to them.

Types of membership ↓	Latest Industry News & Opportunities	Community hub & resources access	Travel Discounts	Application Discounts	Ticketing Discounts	VIP Networking invitations	Ability to offer member discount to QMusic Members
QMusic Access	✓	✓	×	×	×	×	×
Individual Unwaged	✓	✓	✓	✓	✓	✓	×
Individual / Sole Trader	✓	✓	✓	✓	✓	✓	×
Band	✓	✓	✓	✓	✓	✓	×
Business or Organization	✓	✓	✓	✓	✓	✓	✓

Number of University students ¹			Number of students enrolled in school ²
Local Students	International Students	Total	
1,066,073	391,136	1,457,209	3,849,225

1(Department of Education and Training, 2017) 2(Australian Bureau of Statistics, School, 2017)

All memberships are been offered for a year only and membership fee is in proportion to the benefits associated as well as suitability of the membership criteria. Individual unwaged and sole trader membership fees are AUD\$ 44 and AUD\$ 55 respectively. Band membership fee is AUD\$ 110. Business membership fee is AUD\$ 220.

Primarily market goal is to reach the maximum number of students across Queensland. As per the Australian Government data number of High School, TAFE and University students in Australia is listed in the table below. These students comprise the market segmentation for the Q-Music for this study report.

Q Music Membership growth among Students is the main purpose of this study report. We assumed to reach out minimum two percent of the total segmented market. Keep in mind of huge number of students, we try to penetrate segmented market initially that was the reason that we only opt two percent of the total available market. Out of total available students **5,306,434** this report aims to offer membership to minimum two percent of the market segmentation which is equal **106,189**. We have devised many ways in which Q-Music can offer its membership to targeted segment group.

2. SITUATION REVIEW OF QMUSIC MEMBERSHIP

2.1 CURRENT MEMBERSHIP STRATEGIES:

QMusic access is free of cost. One only needs to sign up for the free account which entitles him/her to have latest industry news & opportunities and community hub & resource access. However Q-Music access member have limited benefits compare to full fledge member. Q-Music offers its' membership in four categories. As per our finding Q-Music does not have any solely dedicated membership category for the students only. To boost up student membership Q-Music should formulate one such membership category for students in which students can have membership at affordable price. At present most of students fall under Individual / Unwaged category which cost them AUD\$ 44 to become member. As many students are not working or not entitled to work as per law they should be offer membership at affordable price less than the lowest current membership plan.

Q-Music offer its' membership on internet only else one should visit facility physically to become member. In this report we recommend that to increase student membership Q-Music should organize seminars, workshops, Exhibition, visit around colleges and universities across Australia at regular interval.

2.2 SWOT ANALYSIS:

STRENGTH ANALYSIS:

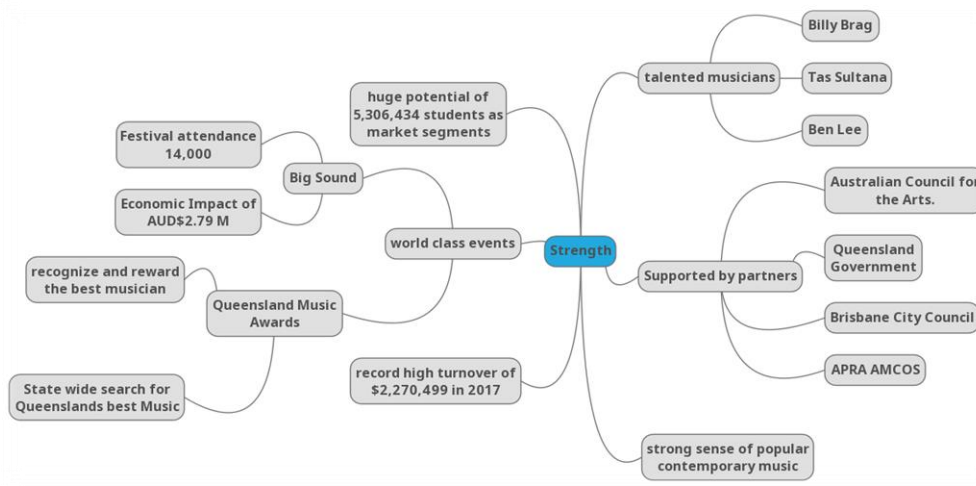


Figure 1: Strength

WEAKNESS ANALYSIS:

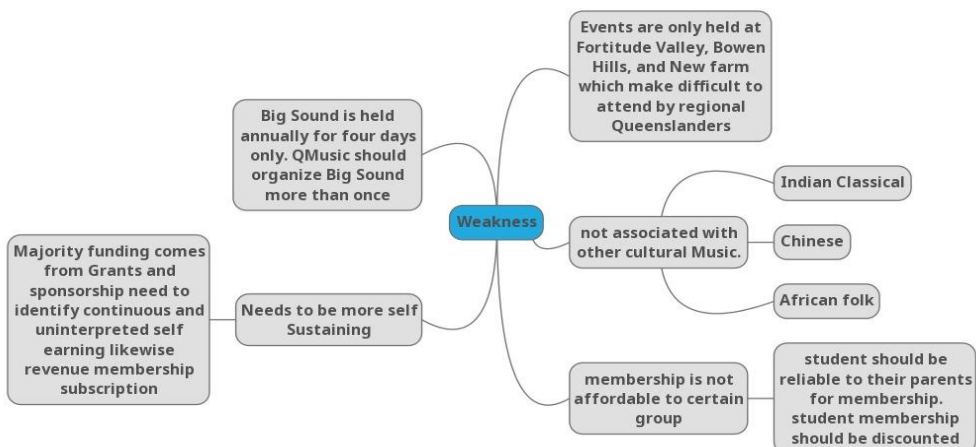


Figure 2: Weakness

OPPORTUNITIES ANALYSIS:

Opportunities:

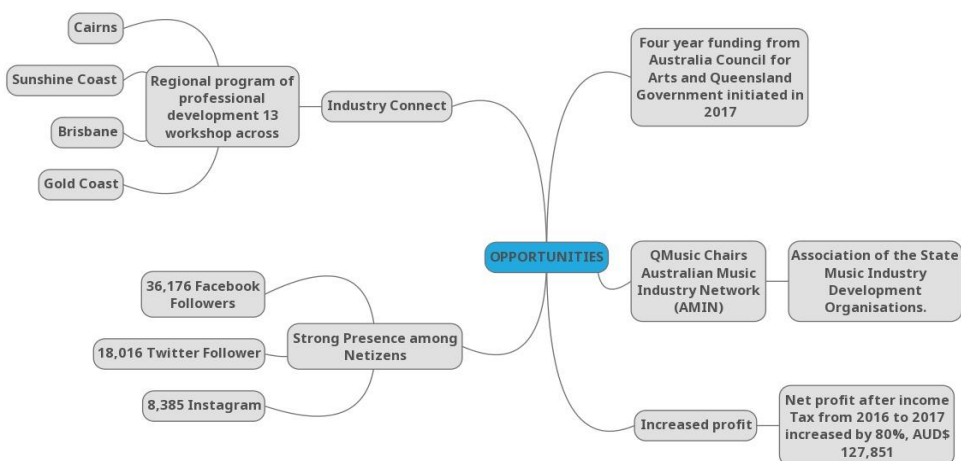


Figure 3: Opportunities

THREAT ANALYSIS:

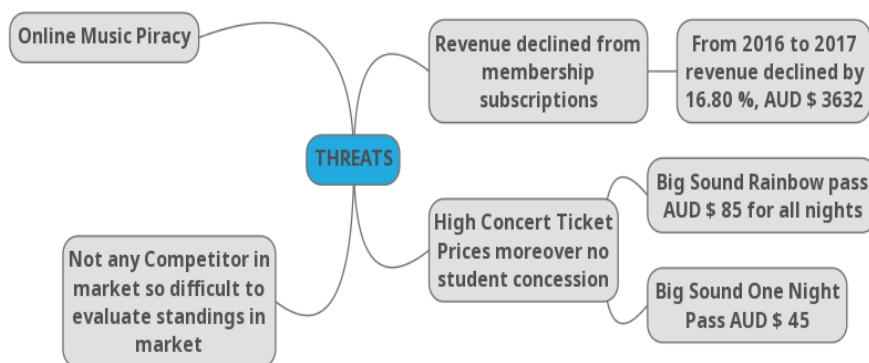


Figure 4: Threats

2.3 Issues to be addressed:

Despite of the highest individual membership fee QMusic is not able to gain much revenue from its annual members subscription fees compare to its counterpart organization. For instance MusicVictoria’s revenue from annual member subscription for the year 2016 was AUD\$ 46,472, for WAM it was AUD \$30,102. Cited organization charges less membership fee still they were able to generate more annual subscription revenue. This contradictory concern situation must be looking after by QMusic in order to be competitive in market and self sustainable organization.

2.4 PESTLE (Political, Economical, Social, Technological, Legal and Environmental):

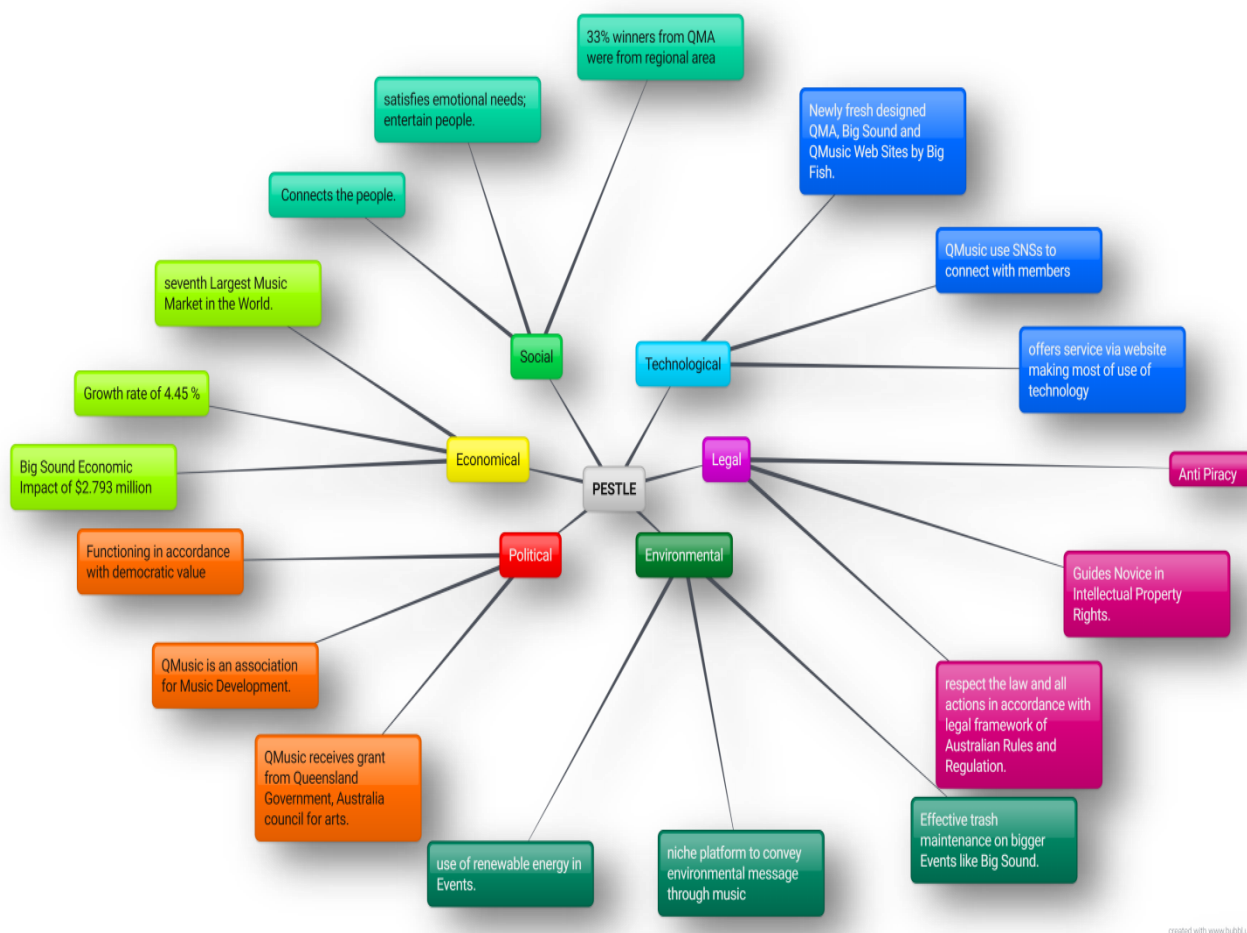


Figure 5: PESTLE

2.5 COMPETITIVE POSITIONING (Including positioning map):

In our study data was gathered related to membership fees for individual categories for all the music association states of Australia except South Australia as data was not easily available for Music SA on their site. Once data was gathered it was put together for analysis and comparison made. It was clearly evident from the analysis that Q-Music is charging the highest fees for the individual membership categories than its counterpart organization. Music NSW, Music WA membership are free of cost however Music WA free membership is purely for the school *Students below eighteen years of age except that Music WA charges AUD \$ 44.00 for its membership. Music Tasmania offers its membership at moderate rate AUD \$ 25.00*

Whereas Music Victoria provides at AUD \$ 33.00. Music ACT charges AUD \$ 40 nearly to Q-Music and WAM. Single axis subscription fee versus Annual subscription Revenue for the year 2016 graph is shown figure. For the ease of representation annual Subscription Revenue was divided by thousand to obtain variable for in same range for both the series subscription fee and annual subscription revenue.

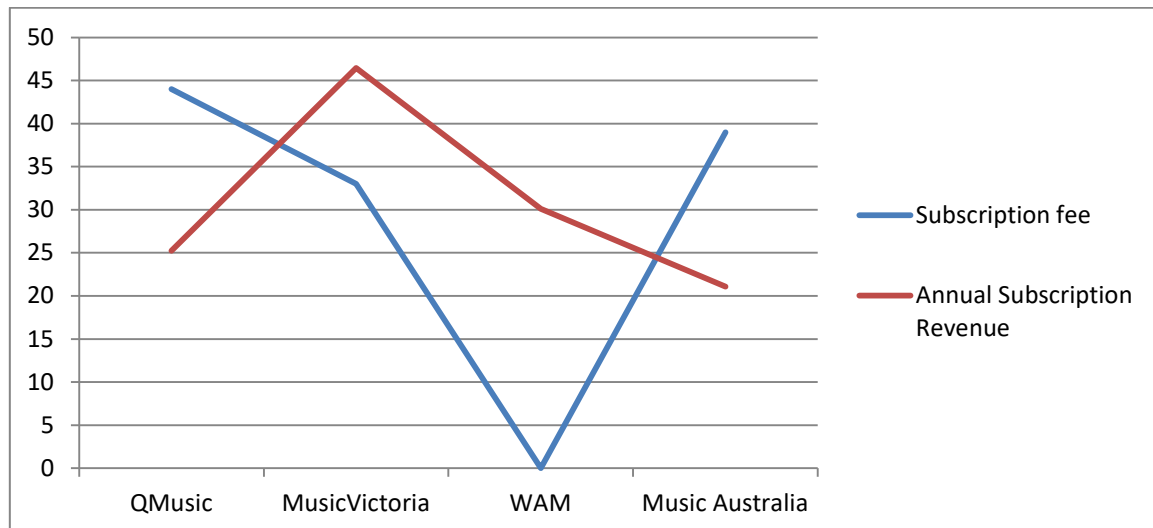


Figure 6: Subscription Fee vs. ASR

From the graph it is clearly seen that Subscription fee is inversely proportional to the ASR. Lower the Subscription fee increases the ASR.

Table 2: Subscription Fee Vs ASR.

Organization	Annual Subscription Fee in AUD \$	Annual Subscription Revenue (ASR) in AUD \$	ASR/1000
QMusic	44.00	25,242	25.24
MusicVictoria	33.00	46,472	46.47
WAM	0.00	30,102	30.10
Music Australia	39.00	21,071	21.07

(Crutcher, 2017)(MusicVictoria, 2017)(WAM, 2017)(Australia, 2017)

2.6 Issues to be addressed:

Despite of the highest individual membership fee QMusic is not able to gain much revenue from its annual members subscription fees compare to its counterpart organization. For instance MusicVictoria's revenue from annual member subscription for the year 2016 was AUD\$ 46,472, for WAM it was AUD \$30,102. Cited organization charges less membership fee still they were able to generate more annual subscription revenue. This contradictory concern situation must be looking after by Q-Music in order to be competitive in market and self sustainable.

3. STRATEGY FORMULATION

3.1 Overall Corporate Strategic Focuses:

Corporate Strategies are the development and implementation of the predominant goals of the company. Generally Corporate Strategies are devised by the senior level management of the company viz Chief Executive Officer, Board of Directors, Head of Department etc. Corporate strategies once formulated are been implemented by the middle level managements viz Managers, supervisors. This report has identified the corporate Strategies for the Q-Music.

Generic Strategies

Michael Porter devised the generic strategies in 1980. He suggested that every company has three strategies to opt. (1) Cost Leadership (2) Differentiator and (3) Focus (Porter, 1980)

(1) Cost Leadership: Company increase its market share by offering its product at lower rates. Values to the product may be compromised to maintain lower cost of the product. This strategy is generally employed to widen the market share of the company

(2) Differentiator: Company offers specialized value added product that proves its high price worthiness. Market share may be competitive as well as limited. This strategy is best suited for the long existing company in the market which is lead by innovation and higher degree of customer satisfaction for example expensive Apple I-phone.

(3) Focus: Company formulate strategy for the targeted market segments only and it may offer product at low cost for targeted segment for example WAM offers its membership to school students below age of eighteen at free of cost.

In this market plan mix of Cost leadership and focus strategies are suggested for QMusic. Other Organization offers membership at lower rate than QMusic so QMusic in order to widen its student membership should adopt cost leadership strategy and it should lower its membership rate. On the line of WAM Focus strategy can be utilized to attract more and more students.

3.1.1 Specific Membership Focus:

Focus of this market plan is to reach maximum number of targeted segment which are approximately **106,189** Australian Students. Furthermore another segment within targeted segment is identified which is University Students (eighteen plus) which is about **2124**. **University Students** are priorities as they may have employment so they can afford discounted membership moreover events like *Big Sound parties are age restricted so keep in mind those things as well it should be easier to offer membership to eighteen plus students then minor.*

3.2 Three Year Marketing Plan Goals and Strategies:

3.2.1 Product

Product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need (Wilson, 2016). Q-Music Membership designed especially for Students is the Product. Three membership packages have been developed for this market plan which bears the same benefits of existing individual membership category moreover additional benefits suggested for proposed product.

Table 3: Membership Packages

Type of Package	Fee (in AUD \$)	Duration of Membership (in Months)	Remarks.
<i>Silver</i>	10.00	4	<ul style="list-style-type: none"> • 10% Discount on renewal fee • 10% Discount on Big Sound One Night and Rainbow Pass • “Refer & Win” monetary reward for the member who refers membership to his/her friends and relatives and made them member.
<i>Gold</i>	20.00	8	<ul style="list-style-type: none"> • 20% Discount on renewal fee • 20% Discount on Big Sound One Night Pass and Rainbow Pass • “Refer & Win” monetary reward for the member who refers membership to his/her friends and relatives and made them member.
<i>Platinum</i>	30.00	12	<ul style="list-style-type: none"> • 30% Discount on renewal fee • 30% Discount on Big Sound One Night Pass and Rainbow Pass • “Refer & Win” monetary reward for the member who refers membership to his/her friends and relatives and made them member.

3.2.2 Price

Prices have been categorized and lowered so everyone can afford membership. Mix of Penetrative and Competitive pricing is used to widen the customer base. In addition ancillary benefits like discounted Big Sound Pass, Discounted Renewal are linked to the membership packages to attract more and more price Sensitive Students.

Price should always greater than cost in order to make profit. Cost of some of the QMusic Services are independent of the customer base. Event Hosting cost may be more or less independent of Audience. In that case more audience means more profit.

3.2.3 Promotion

As discussed earlier “Refer and Win” can be used to promote Membership. QMusic can also run **contest** to promote its membership. On digital Platforms QMusic has strong presence Figure 3: Opportunities QMusic can run **advertisement** campaigns on Social Network Sites (SNSs) also. Classical Promotional activities likewise visiting Universities and colleges, Exhibitions, Workshop, QMusic Merchandise and Talent Show also be employed.

For the awareness activities maximum budget for the year 2018 of AUD\$ 10,000 allotted with net return on investment of 20% which is equal to 2,000. Initial in the first year only if QMusic is successful to convert quarter of the targeted segmented market at the rate of platinum package, it will be able to generate AUD\$ 15,930.

Net Return on Investment

Quarter of the targeted Segmented market: $2124/4 = 531$,

*Revenue of 531 memberships at Platinum rate: $531 * 30 = 15,930$.*

In the first year only QMusic can have \$ 5,930 Net Return on investment against set target of \$ 2,000 which means \$3,930 more than set target.

3.2.4 Place

Place can be **physical** as well as **virtual**. In technological advanced era physical presence is no longer as important as it was used to be. QMusic offers its Service in both physical as well as virtual place. QMusic host its Big Sound event at Fortitude Valley, QMA at Brisbane Power House (Now onwards it will host it at Royal Convention Centre). Music, Community News access do not require physical space they can be offered at virtual space i.e. Website.

3.2.5 People

Students are at the heart of this market plan. QMusic has huge segmented market of **5,306,434** students. QMusic has a committed and dedicated team under Leadership of Joel Edmondson, Chief Executive Officer (CEO), Kim Pengelly (General Manager), Trina Massey (Program Manager), Michael Wall (Business Development Manager) and Sue McComber (Finance Officer).

3.2.6 Process

Getting QMusic Membership which is product for the report is smooth convenient process. One can get membership from QMusic Web Site (<https://www.qmusic.com.au/users/membership/register>). Online payment makes it more pleasant experience of buying membership online. One can also become member by visiting QMusic physically at their office address (3/374, Brunswick Street, Fortitude Valley, 4006) membership inquiries are entertained on info@qmusic.com.au and 07 3257 0013.

3.2.7 Physical Evidence

QMusic is an association for music development which gets fund by Queensland Government and Australian Council for the Arts. Support from this esteem organization adds credibility and trustworthiness to QMusic. Furthermore QMusic chairs the Australian Music Industry Network (AMIN) state association for music development.

4. RESOURCE ALLOCATION MONITORING

4.1 Budget:

A plan to show how much money a person or organization will earn and how much they will need or be able to spend. (Press). For this report fund has been allotted for awareness activities *AUD\$ 10,000 for 2018, AUD \$ 5,000 for 2019 and same as well for 2020.* Return on Investment is kept constant at 20 percent of allocation for each year.

Hypothesis: 531 students will buy Platinum Membership. Annual subscription revenue from newly designed membership packages will be approximately \$ 15,930. For this plan to be successful need to identify potential 531 buyers. Word of Mouth (WOM) publicity, increased promotional activities will lead to increased sell in upcoming years.

Boston Service Group Matrix



Figure 7: BCG

Q-Music will generate more revenue than its expenditure. For the year 2016 Q-Music profit after income tax was AUD \$ 158,363. Q-Music can be considering as cash cow. Part of profit should be spent on service improvements and facility upgrading.

4.2 Non Financial Resource Implication:

Non Financial Resource is an asset that has a physical value such as Buildings, machinery, gold and human resource etc. Non financial assets and liabilities are the important factors should be considered while preparing market plan.

Non financial resource value for the property, plant and equipment for the year 2017 was AUD\$ 31,088.

4.3 Monitoring and Reviewing:

Market plan should be monitored and reviewed periodically to evaluate its effectiveness. Market response may not be the same as expected in market plan that is the reason monitoring and reviewing become imperative. It helps to identify any error and rectify it.

Monitoring

Monitoring is about understanding what has happened with your actual campaign i.e. planned versus actual activity (scotland food and drink). Choose available **tools** to monitor for example Google Analytical can be used to monitor web site visit. Simple questionnaires also can be designed to review customers’ overall membership experience. **Feedback** always leads to improvements

Reviewing

Reviewing is about assessing the impact of market plan in the marketplace. Market plans in general are developed for one year but in this ever changing world marketers should ready to adopt any technological, legal, political, social changes. **Rethink** if plan is not working properly then marketers should rethink of plan and make adjustment to current plan.

Conclusion

This report aimed to widen Students membership base of Q-Music. **5,306,434**Australianstudents are the total available market segment out of which for the study purpose **106,189** students were treated as targeted market segment and hypothesis developed that at least **531**studentswould buy Membership. According to Plan Q-Music would able to generate ASR of AUD\$ 15,930.Flayer was designed for promotion. Membership rates of other organization were also considered to assess and evaluate current market situation. SWOT, PESTLE and Seven P’s analysis were carried out to strengthen the market plan.

Recommendations

This report finds out relation between Membership fee and Annual Subscription Revenue which is inversely proportional **Error! Reference source not found.** so it recommends lowering the membership fee. Other state Music Associations offer membership at either free or low cost. It is also suggestion to develop student oriented membership category. Eligible Student members should also get discount on Big Sound One Night and Rainbow Pass.

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