

Scenario One: ZTRP Inc.— Capitalizing on Solid Relationships

ZTRP, how can I help you? ZTRP is one of the few companies you can speak to a live person. ZTRP was established in 1995. ZTRP Inc. is a paper distributor located in the Northeastern region of the United States. Some of their products in their paper line include copier paper, stationery, and envelopes. ZTRP's clients include small to medium-sized businesses, large corporations, and government organizations. Their average client can spend anywhere from \$1,000 to \$20,000 per year on paper supplies. To date, they have 1,500 active clients. ZTRP has achieved moderate success through strong, value-laden relationships with its customers and employees.

One of ZTRP's philosophies from day one was an employee first, customer second attitude. The founders believed that if their people feel cared about and respected, they turn around and make their customers feel that way. This notion has worked well for ZTRP. Employee retention and job satisfaction levels have been very high since the company's inception. While they have excelled in personal selling and exceptional customer service, customer retention has dropped 3% each year for the last five years.

In 2022, ZTRP decided to add a new product line consisting of high-quality laser printers. Printing toner will also be a continuous revenue stream for the laser printers. Recently, ZTRP signed an exclusive agreement with a small startup company in Kentucky specializing in laser printers and toners. These printers will be branded under the KLMN name. The competitive advantage of these printers is that they are faster, smaller, and quieter than other printers. These printers print approximately 30 pages per minute. In addition, they provide two-dimensional printing and auto-duplexing that allows you to print on both sides of a sheet. They are user and environmentally friendly, and customers will not have to replace toner as often as other models on the market.

The printers will initially be shipped from Kentucky. Their rationale is that they can capitalize on this new product line because they have strong relationships with their clients. In addition, they will add a new revenue stream to their business model. ZTRP is also exploring bundling pricing for their new and existing customers.

In your initial meeting with ZTRP, you learned the following:

Generic Goals:

- Sell new printers to existing clients
- Create awareness of new product line to new, prospective clients
- Double their revenue.
- Incorporate more digital marketing.
- Hire more employees.

These new laser printers are priced compatible with the leading printers in the marketplace. Their initial plan is to sell these printers through a promotional mix of advertising, personal selling, public relations, trade promotions, and digital marketing.

Over the years, ZTRP has worked with advertising agencies, public relations agencies, social media and digital agencies, website designers, and market research organizations.

2021 Financial Summary

Revenue: _____ \$7,000,000

COGS: _____ \$4,000,000

Gross Margin:_____ \$3,000,000
Selling, General
and Admin. Exp.:_____ \$2,000,000
Net Profit_____ \$1,000,000

You have just been hired to develop the key components of a marketing plan for the new printer line. While they know this task won't be easy because of the high level of competition, ZTRP is up for the challenge.

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