

THE NATIONAL TRANSPORTATION CARD

FINAL MARKETING PLAN

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Summary: In this report, GoCard's business plan is explained by analyzing its positioning, marketing, and business strategy. GoCard's main purpose is to provide its customers smooth customer experience while traveling all over Turkey with one simple transportation card. GoCard will be serving its customers by their social status as being students, middle class, tourists, and others. There are various types of strategies will be followed to provide concrete business planning, as indicated in the strategy section. With the planned financing and positioning, the estimated projections and expectations are described with a detailed activity timetable.

Appendix link :

https://docs.google.com/document/d/1Y89nLUmSUMVx0gqXXxHr9_Cz1MeBHRPtLt5DbBOlEEg/edit?usp=sharing

1.1 Macro Factors that may affect National Transport Card Business (PESTEL)

Political factors are primarily related to taxation. If the GoCard is taxed heavily, its revenue will be reduced. To compensate for losses from such heavy taxation, GoCard should find other ways to decrease total costs. Also, an economic factor can be the inflation rate, which may affect the cost of procurement of the necessary resources for the operation of the business. When operational costs are high, our consumers are likely to pay higher prices for the product, again, we need to lower these costs. Regarding technology, GoCard should stay updated with the ever-changing technological environment. Thus, it is paramount that the business implements technological strategies that support customer needs and fulfil informational transfer requirements. Another key technological feature that should be enhancing security features.

1.2 Customers - Competition

There are plenty of desirable features that can be added to GoCard. To get to know customer insights, we firstly did "gemba gembutsu". We visited the transportation stations and asked people some basic questions, mostly about their current complaints regarding transportation card service, and what they want to see as a new feature. Moreover, we did a focus group with 6 students from the cities İstanbul, Ankara, İzmir, and Eskişehir. Also, we had interviews with students. We asked them similar questions, and especially got ideas about the shuttle system at universities and the effects of transportation cost to students' lives. Then, we did an online data analysis both by manual search and using SNScrape.

As a result of the primary and secondary research, we prepared the following pie chart showing the most significant complaints of customers about the current transportation card services.

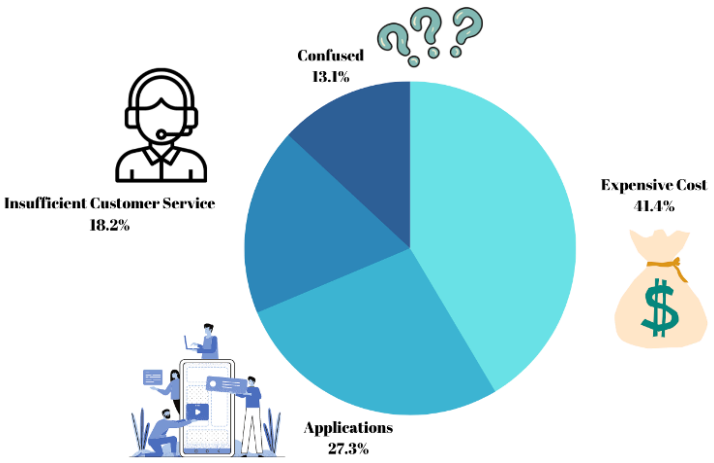


Figure 2.1 *Customers' complaints by reasons with percentages*

1.2.1 Expensive Cost

The most common problem of the customers is the cost of transportation. In today's economic conditions of Turkey, decreasing the cost became everything to especially working/middle class and students. Only one pass for the subway or bus may seem low, yet the people who use public transportation to go to school or their work are using it 5-6 days per week, so in a couple of years they are actually spending a good amount of money on public transport. When we lower 1 pass cost by 20% of the current pass costs (9.90 TL in İstanbul), the yearly transportation cost will be approximately 2,464.8 TL rather than 3,088.8 TL, which is a nice saving. Also, we are aware that students like to travel to other cities. We do not want them to apply for a new card when they change cities. One weekend visit to İstanbul from Eskişehir costs 110 TL for each student if they choose to use 10 passes-ticket. Furthermore, GoCard also includes shuttle passes. When students of Sabancı University want to go to Kadıköy, they use the Kurtköy shuttle and then the subway, more often than the direct Kadıköy shuttle as the price will be cheaper. Moreover, GoCard also includes YHT travels to provide a lower price for passes between cities, which will not only help traveling lover students but also people who often use it for business purposes.

1.2.2 Online Application

The second popular complaint was about the application system of the current cards. We have seen many comments from people who paid money online, yet it did not arrive on their cards, and they lost their money. There is a safety issue with their system. Also, when it comes to the shuttle system, most students reported that they do not actually trust the mobile apps' security, and they only use it to have a lower price than credit card price. Furthermore, as we aim to continue with 90% of the use as an online system, GoCard extremely cares about the safe and easy app. Teenage-student groups can easily adapt to technology and prefer to use QR codes rather than traditional ways. Also, not using hardcopy/plastic cards is better for the environment, and the environmentalist mentality is getting popular among teenagers. With an online-promoted system, we aim to be a sustainable company. Thus, a large part of the budget is separated for software development, design, and cyber security.

1.2.3 Customer Service/ Ethical Attitude

Third common complaint is insufficient customer service. Almost all of the people we have talked with emphasized that they could not get enough help from the service. Our customers want to feel valued, and they are perfectly valued by GoCard. We are aware that people have a hunger for nice and ethical attitudes. People are loyal to companies that they trust and GoCard wants to be known for being an honest company. We will provide highly

responsive and kind customer service to support our customers. Also, GoCard will be easy to reach via the phone number, email, WhatsApp, Instagram, and Twitter.

1.2.4 Confused Customers

The last common problem is the fact that the customers are oblivious to the card's other advantageous functions other than transportation passes. We cannot expect customers to search for our beneficial features. Whenever there is something new, a feature added or a promotion, GoCard will immediately contact our users with a detailed explanation.

1.3 Company - GoCard

GoCard is a new transportation card company founded in November 2022. We planned to launch our card on the market in April 2023. Until the end of the year 2022, we did market research based on our target segments and strategy/profit plans with an initial price that we decided based on competition. Also, we designed our cards and communicated with software engineers for our online app. Some of the features of GoCard require companionship with other businesses, so we have reached them to have their promotional support. For sure, we have started our basic pr activities, and let people hear about GoCard. We have our activity/sales plans, and we will continue according to our program.

Regarding the expected demand, there are 5.4 million students total in İstanbul, Ankara, İzmir, and Eskişehir, which are our potential customers. Also, In İstanbul alone, there are 1.1 million high school students. Further, there are 4.3 million people using YHT (2021), which are also our potential customers. Thus, at least 8 million demand in the earlier steps of GoCard is expected.

1.4 SWOT Analysis

Strength: We have a huge and reachable potential customer that we will attract with our low-cost – high-quality GoCard. We will gain from an accumulated large amount of money which we will invest in bank/bond with a MARR of 14%. It is a sustainable business. We encourage our customers to only use mobile applications, rather than a plastic card. This will help us to reduce card production costs.

Weaknesses: We are new in business, and replacing fully the old cards will take time.

Opportunities: Being a sustainable business will help us to take higher support from other organizations which will help us to manage and grow our business in a wider range.

Threats: The use of electric vehicles is more fun than using public transport. We can lose some part of our customers if we do not include electric vehicles in the future.

2.1. Variables for Segmenting Customers

GoCard's mission is to meet the demands of each of the customers, parallel to their demographic bases. GoCard will utilize our customers' ages, income levels, occupations, education, and social classes. Therefore, based on their daily life and the way they are living created the segments.

2.2. About Resulting Segments

Our resulting segments can measure the market demand at initial levels during the product development and introduction process. Then, during the growth and maturity process, will provide segment-based services with great timing and offers.

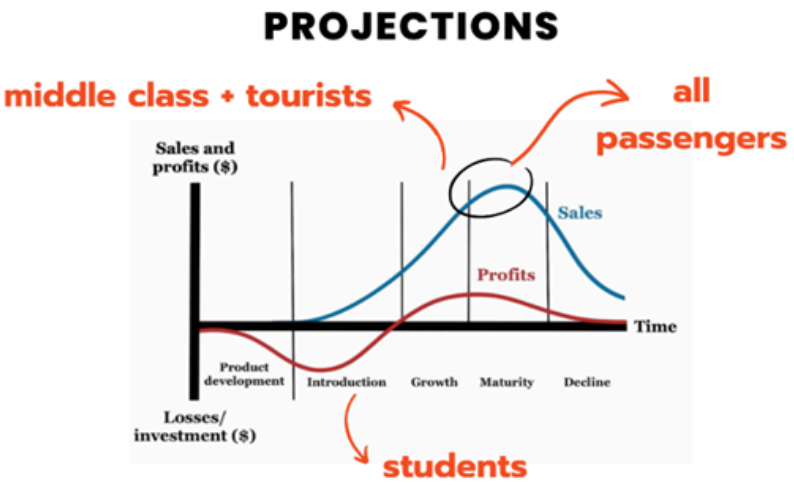


Figure 2.2 *Projection of Resulting Segments*

2.3. The logic of Prioritization of Segments

Initially, GoCard will measure customer demand levels during the product development phase. During this period, the card will only be available for a limited group: students. GoCard will start with a modest but effective group compared to the competitors, which will make the card known and popular rapidly. Then with the middle class, it will be able to present our improved service, since these people seek to have responsive branding to problems they face. After then, with tourists, GoCard will be able to present the card to proportionally more profitable segmentation to increase the investments accordingly. Finally, GoCard will be available to all passengers while keeping the segment specialization with specific offers and campaigns the same and consistent.

2.4. Segments as Our Target

To provide the services according to each group's demand, each of them is analyzed and divided by the strategy into four different segments.

GoCard will be starting with students aged between eighteen and thirty from four different big student cities in Turkey: Eskişehir, Ankara, İstanbul, and İzmir. These students

are mostly who will be studying in another city rather than their home city. Therefore, they will certainly need to have a transportation card that they can use in different cities. In this segment, the important variables will be their age and education.

Then, we will be jumping to the middle class. The middle class will be the working class; so, important variables will be their occupations and income levels. Furthermore, these people will be seeking weekend/holiday offers too, since they will be spending their leisure time. Thus, GoCard believes that it will attract the customers' attention with these surplus services.

Afterward, GoCard will be presented to tourists. Compared to our competitors, this is a new type of concept. Tourists, who want to travel the whole of Turkey with public transportation, lack this service. Therefore, we believe that this is a market gap. To fill this gap and provide them with one card that allows them to travel the whole of Turkey, GoCard for tourists will be published. Assuming they will not be staying for a long period, it will offer them a system with short-term subscriptions. Also, to make their journey simpler the card will include the MüzeKart; so, that they can visit museums effortlessly.

Finally, GoCard will be embracing all the passengers to give them a successful experience every time they use the transportation card. However, team GoCard is aware that we cannot be everything to everyone; thus, GoCard will be committing its team to handle all the specific segments separately, by presenting a variety of offers to the passengers.

3.1. Strategic Options

What we mainly focus on is to give our precious customers what they want, and keep them away from unwanted situations without damaging GoCard's, especially, long-term profits and reputation.

The first strategic option is related to expanding the vehicle options in which we operate our business. To attract customers using vehicles such as Martı and Taxi, we will widen our operation area. The reason behind this strategy is that preference for Martı or such electric vehicles is increasing rapidly due to being quick and fun. It is stated that there are 5 million people who use Martı. Moreover, customers who do not want to travel by public transportation use taxis widely. By arranging cooperation with taxi corporations, we can expand our field of operation. Hence, customers will be able to use GoCard not only in subways, and buses but also in electric vehicles and taxis. By expanding our options, we are operating in many fields as we can so that target customers will be influenced by us regularly.

Second, we are aiming to arrange cooperation with shuttle corporations so that we can reach out to university students easily. Shuttle services such as Gürsel take payments from

students every time they use their service. We can either arrange cooperation with shuttle corporations or universities. Students who pay with GoCard will be able to pay a discounted price. Hence, we will directly reach out to university students, and they will be able to pay with GoCard.

The third strategy is related to what will happen to the amount of revenue of GoCard. We are planning to put some of our revenue into a bank account with a high-interest rate (MARR=14%) to increase the money that we have. Increasing the field of operations in many cities will cost us. Hence besides the money which comes from our investors, we can accumulate money with this strategy.

Another financial strategy is related to arranging cooperation with international corporations so that we can earn money on the currency. In this strategy, we can focus on tourists and international travel agencies and do some similar business like we consider applying while focusing on students.

3.2. Chosen Strategy and Positioning

There are some pros and cons to this situation.

Strategies that focus on students provide a chance of reaching millions of people. This is an advantage to increase the recognition of the GoCard. Also, we can earn more because there are more. Strategies that focus on tourists provide a chance to gain profit on currency which can cover the disadvantage of having a smaller number of customers.

In the market, our positioning will be mainly on being cheap and effective. In that sense both this positioning aspect fits through students. Hence, we will apply strategies according to students first.

4.1. Definition of GoCard

Our product is a national transportation card/mobile app, GoCard. The aim of us is to provide people with a card that can be used within the country to use transportation vehicles. Mobile application is important because it increases its effectiveness and provides an option to customers to not have a hard-copy card.

Moreover, we are providing a mobile application which will increase our effectiveness. First, customers will be able to put their money on their card by using the mobile application so the time that people lost while loading money into the card will be saved. Second, customers can use their application while using transportation vehicles. In terms of losing cards or in case a customer does not want to have a card; they can just use their mobile application. This advantage of customers is also an advantage for us. This makes us a sustainable business because we are limiting card production and reducing our card

production costs. Furthermore, mobile applications will be used by us as well. Customers can reach us in case of any urgent issue and need for support.

4.2. Price Positioning

Before determining pricing positioning, we must understand the current market situation for GoCard. First, there are local rivals. Second, we are new in the market. Third, there will be no mass production, and the cost of the GoCard will be minimized as it is discussed before.

The first segment of GoCard is students who do not have a regular income, most of them are dependent on their families. 5.4 million students is a great number of possible customers; hence our pricing must be attractive. Therefore, the best pricing method for GoCard will be competitor-based pricing. Competitor-based pricing will be applied as determining the price as lower than our local competitors. Due to being a new business, customers are using our local rivals while traveling. Having cheaper prices will help us to take the attention of customers who are using our local rivals daily. This pricing method will be suitable for us to attract target customers.

The initial price of GoCard, a national business card, will be lower than our competitors. Determined one pass-price of the card is 7.90 TL.

At the beginning of the business, what we are aiming for is to get our target customers used to GoCard. After our business starts to grow, the next aim will be profit maximizing. We believe that the value of our product/service will be acknowledged so that we can change our pricing method from competitor-based to value-added-based. This pricing method will be much more suitable for us to maximize profit.

4.3. Placement

As GoCard prepares to launch our card in April 2023, we acknowledge the necessity of selecting the correct marketing channels to increase awareness, excitement, and demand among our clients.

Our card features need collaborations with other businesses and collaborating with local businesses may give a mutually advantageous opportunity. We will give these businesses a platform to attract new clients in exchange for promotional support for our mobility card. We feel this will also be a terrific chance to reach out to potential consumers through their favorite businesses and build trust and loyalty.

We also want to reach out to our target group through web advertising. To target potential clients who are actively looking for transportation cards, we will utilize platforms such as Google Adwords and Facebook advertisements. We can ensure that our advertising

reaches the correct audience at the right time by targeting precise keywords and demographics.

4.4. Promotion options

One of the most effective ways to charm our customers is through social media. So far, we have realized that we should focus more on Insta Reels pr to attract students and make collaborations with festivals and cinema/concert activities. Additionally, we will focus on creating visually appealing graphics and videos that highlight the features of the product and the benefits it provides to customers.

Creating interest among customers is a crucial step in promoting a product. We can promote GoCard by organizing events and activities that are in line with the interests of their target audience. Partnering with festivals and cinema/concert activities can be an excellent way to create interest and generate buzz among students.

Once our company has created awareness and interest among customers, GoCard can do this by highlighting the unique features of their transportation card, such as exclusive discounts and offers, as well as its ease of use and convenience. The company can also use promotional activities like discounts, coupons, and limited-time offers to create a sense of urgency and desire among customers.

5.1. Sales Plan: Estimates for the Future Years for Sales

For this business entity, the plan is to gain over 100 000 customers yearly. However, for the first operational year, 2023, the approximate customer base to be gained is estimated to be 50 000. A forecast of customers to be lost each year is around 10,000. For a reference period of five years, the customer base should stand at 500 000 customers.

5.2. Activity Timetable: Marketing Activities

Time Frame	Activity	Goal
Throughout the 1st Year	Active marketing through advertising	Achieve over 10,000 National Transportation Cards Sales
First 6 months	Comprehensive market research	Find out about competitors.
Within the first two months	Undertake networking with a product specialist	Find ways to broaden the customer base
First 6 months	Open stores in areas with the potential to generate high sales	Attain high sales within the shortest period possible

5.3. Financial Forecast

The financial forecast for this GoCard business is for one year. For sales, it is estimated that the business would have achieved sales amounting to $15 billion. Expected cash inflows from investors will amount to $7 billion. Similarly, expected losses are estimated to be around $2 billion. Such losses are predicted to arise from dollar parity and customer loss within the reference period. Since the business will be active in marketing, most expenses will be accrued in marketing. The estimated marketing cost for one year is approximately $3 billion. Other expenses include workers and expertise recruitment, which will cost the company $2 billion, and taxation, which amounts to approximately $0.8 billion. Therefore, the expected revenue stream for the company's operation through the first financial year is $7.2 billion.

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