

8-1-2014

## Collective Film Camera in Shanghai: A Business Plan

Sha Li

*University of Nevada, Las Vegas*

Follow this and additional works at: <https://digitalscholarship.unlv.edu/thesesdissertations>



Part of the [Entrepreneurial and Small Business Operations Commons](#), and the [Marketing Commons](#)

---

### Repository Citation

Li, Sha, "Collective Film Camera in Shanghai: A Business Plan" (2014). *UNLV Theses, Dissertations, Professional Papers, and Capstones*. 2619.

<http://dx.doi.org/10.34917/8349604>

This Professional Paper is protected by copyright and/or related rights. It has been brought to you by Digital Scholarship@UNLV with permission from the rights-holder(s). You are free to use this Professional Paper in any way that is permitted by the copyright and related rights legislation that applies to your use. For other uses you need to obtain permission from the rights-holder(s) directly, unless additional rights are indicated by a Creative Commons license in the record and/or on the work itself.

This Professional Paper has been accepted for inclusion in UNLV Theses, Dissertations, Professional Papers, and Capstones by an authorized administrator of Digital Scholarship@UNLV. For more information, please contact [digitalscholarship@unlv.edu](mailto:digitalscholarship@unlv.edu).

Collective Film Camera in Shanghai Business Plan

By

Sha Li

A Professional paper in partial fulfillment of the requirement for the

Master of Hospitality Administration  
Department of Hotel Administration

Pro Paper Chair  
Dr. Robert Woods

Summer 2014  
William F. Harrah College of Hotel Administration  
University of Las Vegas, Nevada

## Table of Contents

Part One Introduction .....	3
Objective.....	3
Purpose Statement.....	3
Statement of Problem .....	3
Rationale .....	4
Conclusion .....	4
Part Two Literature Review .....	5
Introduction.....	5
Why Use a Business Plan.....	5
What Is a Business Plan .....	7
Consideration of a Business Plan.....	8
Structure of a Business Plan .....	8
Business Plan and Collective film Camera Shop .....	9
Business Plan Needs.....	10
Part Three Business Plan.....	12
S-Camera Business Plan .....	12
Company Ownership.....	12
Company Objective .....	13
Company Locations and Facilities.....	13
Products and Services .....	13
Target Market .....	14
Segmentation .....	15
Industry Analysis.....	19
Marketing Plan .....	22
Operational Plan .....	26
Strategy and Implementation Summary .....	27
Web Plan Summary .....	28
Financial Plan .....	29
Reference.....	32

## **Part One**

### **Introduction**

S-Camera is a business was designed to export all types of collectible film cameras from the United States to Shanghai, China. The goal for this project is to analyze the readiness of the business and set up a detailed timeline for the business to start running.

### **Objective**

For this project, the primary goal is to research the viability of a vintage camera business in Shanghai, China. By research and analyze the market segmentation and industry environment, this plan is used as a tool to find a marketing strategy to differentiate the business with the others.

### **Purpose Statement**

To create a viable business plan that will result in a structured approach to creating, organizing, promoting, and establishing a business of exporting vintage film cameras from the United States to China.

### **Statement of Problem**

There are very few imported used antique film camera shops in China. A business plan is needed prior to any investment. A very detailed marketing study, industry analysis, operation management, and financial forecast should be included in this plan.

### **Research Questions**

The following research questions will be investigated in this study:

1. Would a vintage camera shop be successful in China
2. Would Shanghai be a good target market?
3. What type of consumers are we looking for?
4. What is the price range that consumers can afford?
5. Where is the best location for opening this shop?
6. How can we maintain and attract the customers?
7. Who are the major competitors?

### **Rationale**

This business plan focuses on exploring the market potential for the antique film camera market in Shanghai, China. While the result of this study would be useful in establishing such a business, the results will not be generalizable to other businesses. The result of this study will be to establish the S-Camera and to present the plan to the prospective investors in the near future.

### **Conclusion**

There are three parts for this paper. Part One introduces the objective, the purpose, the statement of the problem, and the rationale. Part two is the review of the literature. The purpose of this part is to determine methods of writing a successful business plan. Literature on business plans will be reviewed and the best aspects of each will be used. Part three is the completed S-Camera business plan. This plan will serve as a guide to attracting investors and

to establishing the business in Shanghai, China.

## **Part Two**

### **Literature Review**

#### **Introduction**

In today's world, small businesses play an important role in the challenging economy. The critical issue is to become competitive and stave off failure in the first few years. Most failures for start-up companies come from lack of experience, planning, and investment capital. (Ritholiz, 2012) Research has shown that effective business plans can help both in securing investment capital and to creating and growing a successful business. This paper will explore the types and the components of the business plan. Because it is for a practical purpose the plan will examine both academic and trade publications

#### **Why Use a Business Plan**

A business plan serves three functions. First, it is a plan that can be used to develop ideas about how the business should conduct. By examining the internal and external environment of the business, business plan serves as a tool to refine the strategies and put the thoughts on paper. Second, a business plan is a retrospective tool for businessperson to access the company information over time. For instances, the financial part of the plan can be used as the basis for the financial budgeting, and can be monitored regularly to check the performance with the forecast. With some time of monitoring, the business plan can be used

to examine the position of the company stands, whether that standing was helpful or harmful, and how the business should operate in the future. Third, writing a business plan can help to raise money. Most lenders and investors need a business plan to assess the risk and rewards. They will respond to a positive and interesting business plan. (Siegel, Schultz, & Ford, 1987)

According to McGarty, the business plan contains details on the following items: “The product and business definition; the market, including target definition, size, pricing, and distribution; competition, including competitive strategies, and key distinctive competences to succeed; a development plan indicating what additional items must be accomplished before enter in; the operation and management plan demonstrating who is going to do what in business; a funding statement of the funds are to be raised.” (McGarty, 1989) With all these information in hands, then it is a complete business plan.

According to Nunn and McGuire (Nunn & McGuire, 2010), a good business plan is the product of strategic thinking and a good planning process. One has to know where they going before starting. Once we have the business plan, we can use it to guide us through the developing and operating the business. (Nunn & McGuire, 2010, p. 95) because a plan works as a reference point and can be used at any point during the project. It also maps the route for to take at any point of the project. If we have drifted too far away from the original vision, it allows us to go back and get back on track once again. (Toper, 2011)

Moreover, plans can be used to attract investors, negotiate with the lenders, and finance the

next phase of the business. (Nunn & McGuire, 2010, p. 95) Research has shown that business plans can help to secure the capital and to grow the business. (Citation needed) Based on a survey of 2887 Palo Alto Software's "Business Plan Pro" users, those who completed the business plan were twice successful then those weren't. (Cite where you read this...if internet, then cite date you read it and internet address. (you can search for example of hos to do this). In addition, a study by Babson College suggested that owners who completed a business plan were more successful. (Ritholiz, 2012) According to Economist, every investor and venture capitalist wants to read a business plan. In this way, they can use the business plan to help them assess the likely risk and reward of the project. (need citation) For the businesses that are looking for additional financial help the plan is equivalent to an audition for investors. They are like actors. Although the good ones are not guaranteed to play a part, but the bad ones are definitely never have a chance to play it. ("Business Planning," 2009) This result proves that business plan is very important for securing an investment capital. (Ritholiz, 2012) Writing a business plan will also help the business owners to analyze the industry and to understand the business role within. It allows business owners to see the correlations in between the business and figuring out how decreasing the cost of a particular process will affect the overall profit margin. (Tooper, 2011)

### **What Is a Business Plan**

According to McKeever, a business plan is "a written statement that describes and analyzes



one's business and give detailed projections about its future. It also covers the financial aspects of the starting business. ” (McKeever, 2005) Therefore, a business plan articulates the business purpose by introducing its product and services to the markets, emphasizing how it can achieve the sale to the consumers, and share its value and concept to gain the market share within the industry.

### **Consideration of a Business Plan**

Once a business plan is developed, we should also prepare a follow-up set of detailed plans in the areas of operations, product development, financial budgeting, and marketing. By preparing these documents, we can add more bargaining chips to the business valuation. For instances, new businesses often encounter a common financial issue—namely the added expenditure that will result in a need for more capital and a reduction of owner's equity. With all the follow-up financial budgeting plans, owners can find a solution from the prepared documents to solve this issue. In addition, it helps to determine the different types of risk that businesses are going to undertake. For instance there is a development risk. As business owners, we must foresee the product development but we must ask ourselves, “can the product be developed constantly? Then, there are others, a marketing risk, a management risk, and a growth risk. The constant questions around these risks are: can it be sold if made? Can it be profitable if sold? Can it grow if managed?” (McGarty, 1989)

### **Structure of a Business Plan**

The business plan must be as compact as possible. The first page should be an executive

summary that gives the key facts of the proposed business. In addition, a business definition that is a detailed statement of the business and the product must be included. It must be clear and concise so that the readers will understand the product and service that is to be sold.

Moreover, market segmentation, competition, and industry analysis should be included as well. The market segmentation and industry analysis presents all of the external environment information that is necessary to the business. It helps the owners to select target markets. It also allows readers to assess the total revenue potential for the business based on the market size, market share, and the pricing of the product. The competition section emphasizes the differentiation strategy and the competitive competence that a business has compared to the rest of the companies within the same industry. It also identifies all competitors, direct or indirect. Yet, operation and management plan as well as the financial section should be included in the plan. The operations and management of the business are key to understand the business process and profitability. The plan should include how the business is managed, the resources, the labor, the capital required, and etc. The financial section details the overall financial picture of the business. Break-even analysis and budgeting should be included.

(McGarty, 1989)

### **Business Plan and Collective film Camera Shop**

There is very little trade literature on business plans regarding a collective film camera shop.

However, there are some books about the business plans and photography and about business

plans and luxury goods. These books will be used as a tool to help to develop the business plan.

### **Business Plan Needs**

#### *Marketing*

The marketing section is considered the most important part of the business plan. It explains how a prospective business is going to manipulate and react to the market condition in order to generate sales. This section cannot simply explain a concept. Rather, it must differentiate the products for sale and show the competitive competence to the consumers. In other words this plan must be written in a manner that reaches a variety of people. History has showed that many businesses with desirable products have failed due to the marketing strategy.

Therefore, the marketing section is reviewed to be the most important part of the plan. In addition, a marketing plan must focus on finding the market definition and opportunity, competition and influences, marketing strategy, pricing strategy, market research, and sales forecast. (Siegel, Schultz, & Ford,,1987)

Once we have the marketing plan, we can ask essential questions to test the successful of the plan: Have we find out the target market yet? Have all relevant factors been included? Has a clear and persuasive case is made to show how the sales are generated? Can we use the plan to develop a marketing strategy? Have we considered all the stakeholders' goal? If we can answer all these questions above, we have developed a successful marketing plan. (Siegel,

Schultz, & Ford,,1987)

### *Finance*

The purpose of the financial section is to formulate a credible and comprehensive set of projections reflecting the business financial position. If these projections are carefully examined and prepared, then we will be able to measure the business attractiveness. The financial section is directly related to stakeholder's interest. In this section, owners can calculate the investment capital they will need for this project. The investors will understand the risk and rewards that they will gain from the project.

There are several keys to the successful financial planning. First, the data that is used in the plan must be reliable. The quality of the research is directly related to the accuracy of the projection. Second, due to the nature of the uncertain in financial world, we must prepare several sets of projections. For instances, one is based on conservative assumption, and another is based on the aggressive assumption. Together, these projections become a framework, allowing reader to fully understand the financial position. Third, the financial planning must be reviewed periodically. The plan must be current at any time. (Siegel,

Schultz, & Ford,,1987)

### *Operation*

The purpose of the operation planning is to describe how the business functions on an ongoing basis. The operation plan explains the functionality and responsibility of who and

what. It also explains why this strategy is used in this case. The operation plan is the counterpart of the marketing plan. While the marketing plan is focusing on the revenue side, the operation plan tends to focus on the expense and capital side. (MaGarty, 1989)

### **Part Three**

#### **Business Plan**

##### **S-Camera Business Plan**

To S-Camera, the goal is to become the destination for antique film camera collectors in Shanghai. By having a positive brand image and a solid reputation are very important to the business. In order to share the same value with the customers and the stakeholders, having a business plan is necessary. S-Camera online store and the future store location will be built based on the vision and value that is shared in the business plan. Based on its internal and external analysis, including market segments and industry analysis, S-Camera can identify the factors that will affect our business operation and marketing strategy. Therefore, the business plan will be used as a roadmap to track the progress of the operation and identify the target audience and the positioning strategy in the future. In addition, it will also be used as a tool to get financial help and to deal with the vendors and suppliers. (“Using Your Written,” 2012)

##### **Company Ownership**

Type of Business: Import & Export, wholesale and retail. To accomplish this an LLC

partnership will be developed.

### **Company Objective**

S-Camera's main goal is to become the destination for vintage film camera lovers. Brand image is very important in business. S-Camera is going to build the brand through the online store. Through a regularly-scheduled online store events, S-Camera is trying to gather all the film camera fans into one club. Then when there are enough club members, the physical store will be open in Shanghai, China.

### **Company Locations and Facilities**

The S-Camera company is a web-based connection to the clients. The website will have all the information about the product in display. The store information will also be present on multiple social media websites and photography magazines. For instances, S-Camera will be posting ads on Renren, Weibo, Wexin, and Baidu. These networks are resembles of Facebook, Twitter, and Google. Further, S-Camera will pay an annual fee to have their information listed in Chinese Photography and its website. Chinese Photography is the primary magazine for camera lovers and collectors. By advertise heavily on these channels, more and more people will start to know about the S-Camera brand.

### **Products and Services**

S-Camera will include Nikon, Cannon, Monilta, Pentax, Hasselblad, Rollei, and Leica brands vintage film cameras. We will select mid price range cameras. Most models are highly collectible. The price range for selling these items will range from \$59 to \$2000. S-Camera

will also include lenses, films, cases, caps, batteries and etc. for sale. Moreover, S-Camera will equip their sales with professional camera knowledge. With this knowledge, S-Camera will be able to help more customers with camera selecting, camera valuing, and camera fixing. On the other side, S –Camera will create a membership for the store, members can buy, sell, or trade within the store. The membership is free, however in order to maintain a gold or platinum level, one must achieve gold or platinum level of purchases. Once the customer reach the gold or platinum member, there are more discounts and benefits towards the membership.

### **Target Market**

The S-Camera Company will start off as a web-based connection to reach the clients. The destined target market is Shanghai, China.

### **Target Clients**

S-Camera is targeting on the film camera lovers and antique collectors. The common characters are that the customers are artistic and they are not price sensitive. To camera lovers, their interest is using film cameras to shoot photos. To them, film camera shooting is an interest since it allows discipline and gives them the chance to step back from their busy schedule. They also think digital camera is necessary. However, film camera can be considered a great way to express oneself and hold oneself to a standard of discipline that it is too easy to ignore when using digital camera. (Bellamy, 2013) To collectors, antique film camera is a collectible luxury item. They love history and appreciate it. They want to collect

the rare pieces and hoping to trade in for a better value in the future.

## Segmentation

### *Segments of the Market*

The general environment segments in Shanghai will affect S-Camera when competing within the industry. The challenge to S-Camera is to monitor, forecast, and assess the elements within each segment to identify the opportunities and threats.

### *Demographic Segment*

Shanghai is considered the largest city not only in China, but also in the entire world. It has a population of 23,470,000. There are 44 ethnic groups that live in the city. The migrants form about 39% of the permanent population. The percentage of the migrant population has been on the rise over recent years and the number has tripled within ten years. From the entire Shanghai population, there is only about 8% of the population is under the age of 14 years, while about 22.5% of the population is over the age of 60 years. Shanghai also has 150,000 officially registered foreigners within the city, including 31,500 Japanese, 21,000 Americans and 20,700 Koreans. Based on the World Population Review, it's projected that Shanghai will have a population of more than 50 million by 2050. ("Shanghai Population 2014," 2014)

Shanghai is also a religiously diverse city. It includes Taoism, Buddhism, and Christianity. Shanghai has the largest Catholic population in China. ("Shanghai Population 2013," 2013)

Considering Shanghai's diversity and modern history, it can be seen as the most fashionable,



most urban, and most rich city in China. Therefore, it will be a good choice for S-Camera to sell collectible film cameras.

### *Economic Segment*

Shanghai has been one of the fastest developing cities in the world for the last twenty years.

Except for the global recession during 2008 and 2009, Shanghai has always been a double-digit growth city. ("Shanghai Population 2014," 2014) In 2013, Shanghai achieved a GDP growth rate of 7.7 percent; it is about 0.2% percent increase compared with the rate in 2012.

It outperformed the economist expectation and showed stability for the economic growth.

"The industrial restructuring was picking up the speed with the service sector expanding 8.8 percent in 2013. It contributes 62.6 percent of the city's GDP, 1.8 percentage points more than in 2012. Moreover, local consumer prices stabilized in 2013 with a mild inflation of 2.3 percent, which was a drop of 0.5 percentage points from 2012 and 0.3 percentage points

lower than the national average". ("Economic Statistics," 2013) Additionally, the

employment situation is fairly stable with a registered urban unemployment rate of 4.2

percent in the year of 2013. Shanghai created more than 600,000 jobs in 2013. 111,500 of

these jobs are non-agricultural jobs. ("Economic Statistics," 2013) According to International

Business Times, Shanghai has overtaken New York as the global center of wealthy

consumers who purchase high fashion and luxury labels. Buying collectibles and luxury

items is more like displaying one's spending capacity and social class in Shanghai. (FlorCruz,

2014)

China is also a big market for S-Camera. According to the Economist, a massive push to urbanize will help to produce tens of millions of richer citizens seeking luxury shopping experiences. McKinsey & Company, a consultancy company, forecasts that the consumption by urban Chinese households will reach 27 trillion RMB in 2022. It is about 1.7 times more than the consumption in 2012. (Refer to Chart 1) Moreover, the Chinese are considered the biggest buyers of luxury items; they consumed 29% of the world's purchases in 2013. (Refer to Chart 2) ("Doing It Right," 2014)

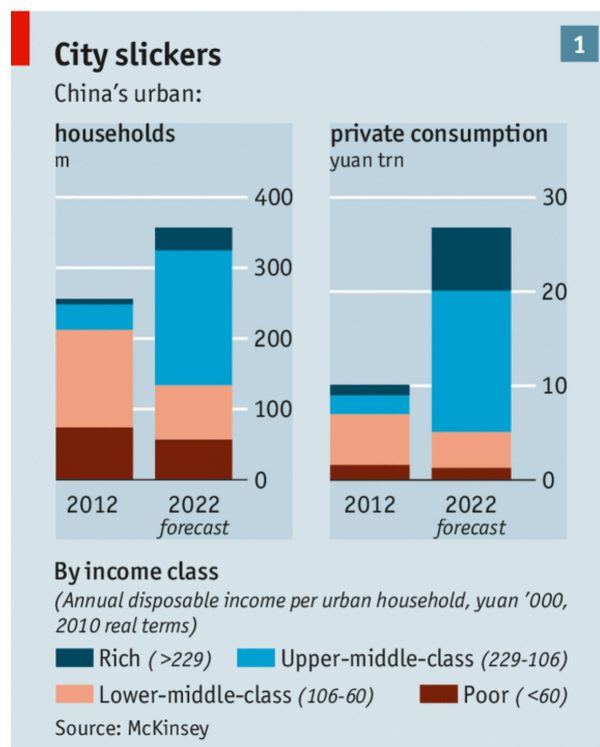


Chart 1 ("Doing It Right," 2014)

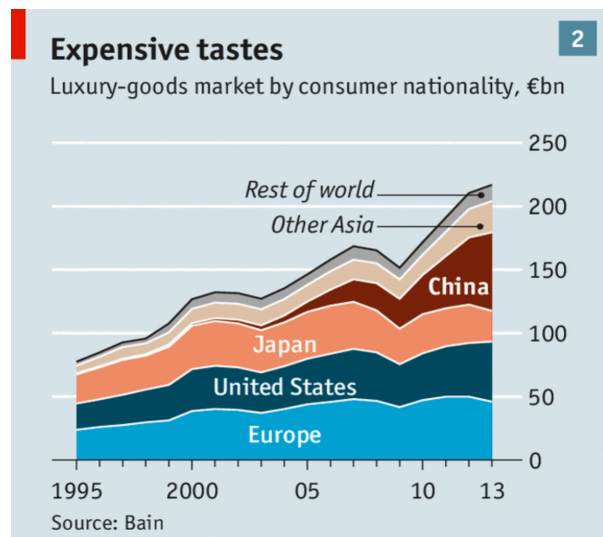


Chart 2 (“Doing It Right,” 2014)

### *Political/Legal Segment*

Shanghai has just launched a free trade zone area within the city. By trading in this zone, it gives foreign companies more opportunities to compete in China. It removes a lot of financial requirements for setting up a company in Shanghai. It also introduces a simplified procedure for foreign investors to establish a company in China. This zone will be progressively developed into a zone “featured with investment and trade facilitation up to international standards, free conversion of currencies, convenience and efficiency, and internationally recognized legal environment”. (“Promote Reform,” 2014) Shanghai will soon become an international leading city like Hong Kong.

### *Sociocultural Segment*

According to Forbes, China will increasingly be seen as a dynamic center for Chinese artists, collectors and businesspeople. More and more international participants will come here to do businesses. The number of contemporary Chinese art collectors is also likely to grow because of Asia’s rising economic. “As wealth expands, the investing population—and hence, the

demand side of the market—will increase with it”. (Cohade, 2010) This means the collection market for China is also growing. For instances, in June, Hong Kong-based L&H Auction sold a special edition of a custom-made M6 at a hammer price with commission of HK\$4.47 million to a collector from China. To Chinese camera collectors, camera is not only a photography equipment, but also something more. "Camera is a man's big toy. But Germany has made its camera into an industrial revolution classic. That's what we lack. We haven't experienced the industrial revolution. We admire the classic and the spirit of that period," says Tian. Most Chinese have never experienced industrial revolution, they admire this type of spirit, therefore there's a lot of potential collector like Tian in Shanghai for us to explore. (Deng, 2013)

### *Global Segment*

Hong Kong, Taiwan, Singapore, United States, United Kingdom, and Europe are all considered well-established mature camera markets for collectors. Hong Kong is especially important to S-Camera's success in Shanghai since it is the closest and most convenient city to visit and buy used film cameras. In order to compete with these segments, S-Camera must use both political and local advantages to compete within the industry.

### *Industry Analysis*

#### *Luxury Definition*

Luxury is no longer defined by excess and conspicuous consumption. Now luxury means

products with higher perceived value and increased practicality. It was about consumption of goods that were expensive but discreet and very in-the-know, the opposite of ostentatious.

(Carreon, 2011) According to Chevalier and Mazzalovo, there are four independent types of scale to measure consumer's perception of luxury. These four dimensions include: elitism, product quality and high price, personal emotional element, and power of the brand. It has to be selective and indicating a social success. It has to have a result of craftsmanship. It also has to have an artistic dimension, the product must be perceived as a refined object, almost like a work of art. The brand must be internationally well known. (Chevalier & Mazzalovo, 2012)

### *Luxury Industry*

Based on Chevalier and Mazzalovo's analysis, there are three major differences between luxury industry and non-luxury industries. These are : company size, financial characteristics, and time factor. (Chevalier & Mazzalovo, 2012)

In the luxury industry, business size is not as important as in the non-luxury industry. In general, luxury businesses are built on reputations rather than the size. The sales figures are hard to compare within the industry. There is limited and professional staff within the company as well. The production cycle for luxury items are much longer and costly than regular goods. (Chevalier & Mazzalovo, 2012) According to Bain & Company, "worldwide luxury goods market revenues will grow as much as 50 percent faster than global GDP, with

an expectation of four to five percent growth in 2013 and five to six percent annual average through 2015, on track to break the €250 billion sales threshold by mid-decade”.

(“Worldwide Luxury,” 2013) The high-end apparel brands will lead the way. It will continue growing faster than other categories. Watch consumption is slowing down. Cosmetics is declining in the States and Europe, but still growing in the emerging markets. (“Worldwide Luxury,” 2013)

### *Camera Industry*

The vintage film camera industry is considered very small compared to the digital camera market. It is small since the product source is rare and the usage of the film camera is few. However, digital camera is considered the most important competitor to the film camera industry. Based on the forecast of China digital camera industry report, from 2013 till 2017, the sales revenue of digital cameras will increase to CNY 85 billion by 2017. Canon, Nikon and Sony are the top three players for China’s digital camera market, they covered 70% of China’s market share. (Research and Market, 2013). There are so much more potentials in the camera business in China. For instances, camera giant Canon’s director Hideki Ozawa thinks that Chinese market is considered the most important part for Canon. Canon is going to increase its annual sales from 3 billion to \$10 billion for the following five years. Currently there are 32 offices across China. (Osawa, 2012) Aside from the digital cameras, there are also huge demands for the high-end personalized cameras. The increase of demand in high-

end camera market reflects China's growing economy. More and more Chinese are spending money on travelling and sightseeing, camera sales is going to bloom.

### *Major Players*

The major brands of the luxury market currently are Chanel, Dior, Hermès, Louis Vuitton, Armani, D&G, Zegna, Gucci, Max Mara, Prada, Salvatore Ferragamo, Kenzo, Lanvin, Ferrari, Porsche, Piaget, Cartier, and etc. Based on Bain's Luxury Goods Worldwide Market Study report in 2013, it finds accessories as growing at 4% and become the largest segment for luxury market, reaching 28% of the total revenues. On the other hand, apparel has taken up 15% of the market, growing at 1%. Other personal luxury items have an overall 2% growth. The overall luxury market is expecting €800 billion of spending in 2013, up 6% compares to 2012. Moreover, one interesting find through the report is the comment that "the luxury goods market is becoming more and more complex and, in some aspects, starting to look like more competitive industries such as fast-moving consumer goods". (D'Arpizio, 2013) This means that the camera market is going to shine in the near future.

The major brands of the camera industry are Nikon, Canon, Minolta, Fujifilm, Casio, Sakar, and Panasonic. Samsung, Leica, Hewlett Packard Company, Sanyo, Sony, and Toshiba are also leaders on the market. Japan holds more than 80% stake in the world digital market.

("Camera Industry," n.d.)

### **Marketing Plan**

To S-Camera, China is the largest market for us to explore. For a web-based store, S-Camera

is focusing in Shanghai to build up the brand image. The marketing plan is to tap the business into the cultural heritage. Based on McKinsey & Company's report, a large part of luxury items, especially the durable products "preserve their value over time has the opportunity to share its rich cultural heritage that is associated with the brand". (Atmon et al., 2014) For instance, S-Camera can organize a small catalog to showcase a rare camera collections include model designs from many decades ago to promote our top line camera's history and craftsmanship.

### *Market Definition*

S-Camera plans to direct its effort to the sale of its products online. The company will initially direct its effort in Shanghai, China. Besides Shanghai, S-Camera will later also focus on the sale to the other areas in China. Shanghai is the most popular and trendy city in China but there are many other viable markets. Shanghai is considered the Paris of the East.

According to World Population Review, Shanghai has been one of the fastest developing cities in the world for the past twenty years.. Among its population, 89.3% are urban and 10.7% are rural. Out of Shanghai's total population, 22% have a college education, 21% have high school, 36.5% have middle school, and 1.35% had primary school educations. Shanghai is one of the highest GDP growth city, it achieved a GDP growth rate of 7.7 percent in the year of 2013. (World Population Review, 2014)Marketing Strategy

To S-Camera, the proper media channel is through social media networks. It is the cheapest



and most effective way to promote the online store in China. According to Forbes, in 2014, an investment in social media is necessary for most businesses. The benefits of social medias include: company branding, improve social signal, improve brand awareness, word-of-mouth marketing, increase customer royalty and trust, and improve audience reach and influence. (DeMers, 2013)

An effective marketing strategy to promote through social medias is to work with social media agencies to monitor, respond, and analyze to the clients online. In China, Baidu, Google, Renren, We Chat, Weibo are all effective social media channels to promote S-Camera. In addition, hosting numerous camera fans activities in Shanghai and sending out company catalogs regularly will also improve company awareness and increase customer royalty and trust.

### *Products*

To S-Camera, collectible film cameras can be considered as either luxury items or consumer products. The main part of the product portfolio is considered luxury is because of the current value of the product and the rareness in nature. People buying them are not based on needs but on wants. On the other hand, the rest of products are considered consumer electronics since it is durable equipment for daily use, especially for entry-level photography students. To maintain a sustainable growth within the target market, the product portfolio of luxury houses should be rich, complete and fulfilling the needs of consumers. Thus, it is significant

to have different product lines to meet with different customer needs.

### *Price*

Comparing both market price and buying cost to determine how much margin is the essential part for pricing. Price will be guaranteed to be fair but not cheap since S-Camera eyes on the middle-upper class citizens of China, S-Camera has to add a premium for the professional sales and additional care.

### *Promotion*

S-Camera's membership will be used as a reward system for their clients. In order to maintain a gold level membership, one must buy from the store for about 5000 USD, and 10,000 USD for a platinum membership. As one reached this level, 5% to 10% discounts will be given. Except for the reward program, there will also be numerous collectors' gathering events hosted by the shop; fees are covered based on the membership status.

### *Place*

S-Camera is a web-based shop. There will be a small warehouse located in the United States and another warehouse in Shanghai, China. In the United States, the main shipping and delivering method is through UPS and Fedex. S-Camera's suppliers will send out their goods to the U.S. warehouse on their cost after the payment is clear. The goods will either store in the warehouse as inventory, or shipped to China as final goods through EMS or TNT. In China, S-Camera will use only Shunfeng as the delivery carrier. Shunfeng is a well know delivery carrier in China, it has a long history of reliability. The shipping cost in the States is

about 11 dollars for a pound, and in China is about 2 dollars a pound. Both methods are insured.

## **Operational Plan**

### *Sourcing and Fulfillment*

The vintage camera sources are based in the United States and United Kingdom. On the United States side, the sources are focusing on Seattle camera stores, online camera stores, Craigslist, friends, and Ebay. On the United Kingdom side, the sources are from Liverpool camera stores and online camera stores. The rubric for these transactions is to buy only quality-checked best condition cameras. As a start up, there will be around 100 cameras in stock with all different brands for sale. Based on the monthly sales and customer needs, the adjustment can be made to determine what to buy in the future. Every week, the shop will run an inventory check, and send buying forms to the US and UK side for fulfillment. The delivery time is one month for inventory fulfillment.

### *Distribution Patterns*

Most of the stores who are selling vintage film cameras selling both digital and film cameras. Their sales are mainly from selling the new cameras instead of the used ones. The stores usually hold a few of used film cameras for sale. They either sell it in the store or list them on Taobao (An internet website shop) for sale. Compares to these stores, S-Camera will differentiate itself by focusing on the vintage film camera sales. It will work as a pure

collectible film camera retailer as well as a wholesaler. One sales team will focus on the retail clients, another sales team will focus on selling to the other small businesses.

### *Future Products and Services*

For the future of this business, S-Camera will include more products into the store. For instances, rare find digital cameras, audios, books, and other new consumer products. The essence of these future products will focus on rare and unique collections of the cameras and consumer electronics.

### *Strategy and Implementation Summary*

#### *Value Proposition*

S-Camera is going to have two lines for their vintage film cameras. Low price attracts the youth, high price to attract the professionals and collectors. Branding and its image are the most important thing to this camera business, S-Camera must maintain a good quality of products and a professional of service in order to gain the market share in Shanghai, China.

#### *Competitive Edge , Distinctive Competence*

The competitive edge for S-Camera is that it have a unique membership system to reward their royal customers. Customers can buy, sell, or trade within the store. S-Camera is building a community for their customers. In additon, there will be many professional sales online or in-store (in the future) to help every customer with their needs. There is a 30 days warranty on everything in display.

### *Marketing Strategy*

Penetrate the used film camera industry, add-on, collect data, then develop more advancements & selling points to reach more consumers.

### *Pricing Strategy*

Compare both market price and buying cost to determine the final price. Discounts will be given only for qualify customers based on the membership status.

### *Promotion Strategy*

The membership will be used for rewarding discounts, event entrance fees, workshops, and store specials.

### *Web Plan Summary*

#### *Website Marketing Strategy*

S-Camera will have their online store listed on Taobao, which is an Ebay- like platform for small online businesses owners. There will also be a blog created for their online store. The blog is mainly used for product information, store event announcement, and event gathering posting. The goal is using the blog to connect with their target clients. S-Camera will introduce each model of the camera that they are selling. After buyers bought their product, they will follow up with them, and send them a survey for quality control. Consumers can also open an account and login to post any comments under the product. S-Camera will also regularly host special events for members to meet up. For instances, the Nikon night. S-Camera will invite all Nikon film camera buyer within Shanghai to come out and meet up.

The entrance fee is free to all members. However, if the customer is either a gold or a platinum member, he or she will receive free cocktails or free gifts during the event.

### *Development Requirements*

S-Camera will hire a professional web design master to create their website. Then, there is one staff that will update the website regularly during the night. There will also be a customer representative online from 9:00 am till 6:00 pm to answer and help the customer with their order issues. S-Camera will put 20% of the investment on marketing, they will connect with all media channels for promoting. S-Camera will also have a event planner to help them with the hosted store events.

### **Financial Plan**

#### *Important Assumptions*

Our budget analysis is based on a healthy ongoing business environment. There's minimal inflation within the market. There are no financial crises involved.

#### *Projected Budget*

<b>Title</b>	<b>Yearly Cost</b>
Website Design	\$1,500
Website Subscription	100
Company Email Subscription	50
Business License (USA)	450
Business License (China)	1500

Company Logo	500
Business Card	100
Marketing Allowance	15000
Travelling Allowance	2000
Shipping Supplies	300
Office Supplies	300
Shipping Charges	3000
Start Up Inventory	30000
Staff Salary (China)	6000
Phone/Internet	2000
Miscellaneous	5000
Store Event allowance	10000
	\$77,800

*Projected Start Up Inventory Cost*

Date	Model	Description	Price	Tax	Final Price	Quality	Cost	Origin
6/13/14	FE	NIKON FE BODY	49.5	0.095	54.2025	1	54.2	KENMORE Bothell
6/22/14	FE	FE CHROME SLR BODY	89.00	0.00	89	1	89	ADORAMA NYC
6/18/14	FE2	FE2 CHROME SLR BODY	99	0	99	1	99	ADORAMA NYC
6/18/14	FA	FA CHROME SLR BODY	89	0	89	1	89	ADORAMA NYC
6/18/14	FA	FA BLACK SLR BODY	109	0	109	1	109	ADORAMA NYC
6/18/14	FG	FG CHROME SLR BODY	37.571	0	37.5714	7	263	ADORAMA NYC
6/22/14	EM	EM BLACK SLR BODY	29	0	29	1	29	ADORAMA NYC
6/18/14	FM2N	BLACK SLR BODY	149	0	149	1	149	ADORAMA NYC
5/28/14	FM2N	BLACK SLR BODY	180	0.095	197.1	1	197.1	GLAZER'S SEATTLE
6/23/14	FM2N	CHROME SLR BODY	169	0.095	185.055	1	185.1	GLAZER'S SEATTLE
6/22/14	FM2/T	TITANIUM	599.95	0	599.95	1	600	B&H NYC
6/22/14	FM2/T	TITANIUM	599.95	0	599.95	1	600	B&H NYC
6/22/14	FM3A	BODY CHROME	479	0	479	1	479	ADORAMA NYC
6/22/14	F	BLACK SLR W/PHOTOMIC	169	0	169	1	169	ADORAMA NYC
5/28/14	F2	W/MD-2 DRIVE	280	0.095	306.6	1	306.6	GLAZER'S SEATTLE
5/28/14	F2	PHOTOMIC CHROME	99	0.095	108.405	1	108.4	GLAZER'S SEATTLE
6/18/14	F3	BLACK SLR BODY	99	0	99	1	99	ADORAMA NYC
6/18/14	F3	BLACK SLR BODY	99	0	99	1	99	ADORAMA NYC
6/18/14	F3	BLACK SLR BODY	79	0	79	1	79	ADORAMA NYC
6/22/14	F3	BLACK SLR BODY	79	0	79	1	79	ADORAMA NYC
6/18/14	F3HP	HIGH EYEPOINT BLK BODY	149	0	149	1	149	ADORAMA NYC
6/18/14	F3HP	HIGH EYEPOINT BLK BODY	179	0	179	1	179	ADORAMA NYC
6/22/14	F3HP	HIGH EYEPOINT BLK BODY	89	0	89	1	89	ADORAMA NYC
6/13/14	F3HP	HIGH EYEPOINT BLK BODY	129.5	0.095	141.803	1	141.8	KENMORE BOTHEL
6/22/14	F3/T	CHAMPAGNE TITANIUM	529.95	0	529.95	1	530	B&H NYC
6/18/14	PENTAX 67	67 SLR(MP) FINDER	389	0	389	1	389	ADORAMA NYC
6/23/14	PENTAX 6*7	6*7 BODY	260	0.095	284.7	1	284.7	GLAZER'S SEATTLE
6/18/14	MINOLTA X-700	BLACK BODY	49	0	49	1	49	ADORAMA NYC
6/22/14	MINOLTA X-700	BLACK BODY	49	0	49	1	49	ADORAMA NYC
6/22/14	MINOLTA X-570	BLACK BODY	59	0	59	1	59	ADORAMA NYC
6/18/14	HASSELBLAD 50i	CHROME BODY	689	0	689	1	689	ADORAMA NYC
6/13/14	CANON AE-1	CHROME BODY	79	0.095	86.505	1	86.51	KENMORE BOTHEL
6/22/14	Lense		98.55	0	98.55	1	98.55	ADORAMA NYC
6/22/14	Lense		99	0	99	1	99	ADORAMA NYC
6/22/14	Lense		89	0	89	1	89	ADORAMA NYC
6/22/14	Lense		119	0	119	1	119	ADORAMA NYC
6/22/14	Lense		45	0	45	1	45	ADORAMA NYC
6/22/14	Lense		229	0	229	1	229	ADORAMA NYC
6/22/14	Lense		139	0	139	1	139	ADORAMA NYC
6/22/14	Lense		309	0	309	1	309	ADORAMA NYC
7/10/13	Leica M3		799	0.095	874.905	3	2625	GLAZER'S SEATTLE
7/10/13	Leica M6		1499	0.095	1641.41	2	3283	GLAZER'S SEATTLE
7/10/13	Rollei 2.8G		2999	0.095	3283.91	1	3284	GLAZER'S SEATTLE
7/10/13	Mamiya		699	0.095	765.405	1	765.4	GLAZER'S SEATTLE
7/10/13	Leica MP		2999	0.095	3283.91	2	6568	GLAZER'S SEATTLE
7/10/13	Lense		5999	0	5999	1	5999	ADORAMA NYC

Total

56 30228



*Long-term Plan*

S-Camera will start off with one online store in China. As we reach \$100,000 sales. We will open our first physical store in Shanghai, China. Our goal is to become the final destination for all photography lovers by providing a professional care with our clients and offering an intimate customer relationship.

### Reference

- Bellamy. (2013) The future of film: A new hope. Japan Camera Hunter. Retrieved from <http://www.japancamerahunter.com/2013/12/future-film-new-hope/>
- Business Planning. (Aug 10, 2009) The Economist. Retrieved from <http://www.economist.com/node/14205124>
- Carreon, B. (2011, Nov 15). How the Uncertain Economy Is Change The Definition Of Luxury. *Forbes*. Retrieved from <http://www.forbes.com/sites/bluecarreon/2011/11/15/how-the-uncertain-economy-is-changing-the-definition-of-luxury/>
- Chevalier, M., & Mazzalovo, M. (2014) *Luxury Brand Management: A World of Privilege*. Retrieved from [http://books.google.com/books?id=FODGSK7kObIC&pg=PT16&source=gbs\\_toc\\_r&cad=3#v=onepage&q&f=false](http://books.google.com/books?id=FODGSK7kObIC&pg=PT16&source=gbs_toc_r&cad=3#v=onepage&q&f=false)
- Cohade, A. (2010, Jan 26). *Getting Started In Chinese Art*. *Forbes*. Retrieved from <http://www.forbes.com/2010/01/21/christie-sotheby-art-markets-china-investment-guide-10-collectibles.html>
- D'Arpizio, C. (2013, Oct 28). Luxury Goods Worldwide Market Study Fall 2013. *Bain & Company*. Retrieved from <http://www.bain.com/publications/articles/luxury-goods-worldwide-market-study-fall-2013.aspx>
- DeMers, J. (2013, Sep 24). The Top 7 Social Media Marketing Trends That Will Dominate 2014. *Forbes*. Retrieved from <http://www.forbes.com/sites/jaysondemers/2013/09/24/the-top-7-social-media-marketing-trends-that-will-dominate-2014/>
- Deng, Z. (2013, July 18). Chinese Join the Wave of Leica Collectors. *China Daily USA*. Retrieved from

[http://usa.chinadaily.com.cn/epaper/2013-07/18/content\\_16794736.htm](http://usa.chinadaily.com.cn/epaper/2013-07/18/content_16794736.htm))

Doing It Their Way. (2014, Jan 15). *The Economics*. Retrieved from

<http://www.economist.com/news/briefing/21595019-market-growing-furiously-getting-tougher-foreign-firms-doing-it-their-way>

FlorCruz, M. (2014, Feb 06). Shanghai Surpasses New York For Luxury Goods Buying, Despite Chinese Austerity Drive. *International Business Times*. Retrieved from

<http://www.ibtimes.com/shanghai-surpasses-new-york-luxury-goods-buying-despite-chinese-austerity-drive-1553742>)

Information Office of Shanghai Municipality. (2014). *Economic Statistics of Shanghai in 2013*. Retrieved from <http://en.shio.gov.cn/presscon/2014/02/13/1152876.html>

McGarty, T. (1989) *Business Plans That Win Venture Capital*. New York: John Wiley & Sons, Inc.

McKeever, M. (2005) *How To Write a Business Plan*. (7<sup>th</sup> ed.). Berkeley, CA: Nola.

McKinsey & Company. (2011) *Understanding China's Growing Love for Luxury*. Retrieved from

[http://solutions.mckinsey.com/insightschina/\\_SiteNote/WWW/GetFile.aspx?uri=:/insightschina/default/en-us/aboutus/news/Files/wp2055036759/McKinsey%20InsightsChina%20-%202011%20Luxury%20Consumer%20Report\\_7f9e9eff-0bfd-4cea-8bc5-2dff874db6d0.pdf](http://solutions.mckinsey.com/insightschina/_SiteNote/WWW/GetFile.aspx?uri=:/insightschina/default/en-us/aboutus/news/Files/wp2055036759/McKinsey%20InsightsChina%20-%202011%20Luxury%20Consumer%20Report_7f9e9eff-0bfd-4cea-8bc5-2dff874db6d0.pdf)

Nunn, L., & McGuire, B. (2010) The importance of a good business plan. *Journal of Business and Economic Research*, 8(2), 95. Retrieved from

<http://search.proquest.com.ezproxy.library.unlv.edu/docview/194892288/fulltextPDF/5C1293FADB3D4CA4PQ/1?accountid=3611>

Osawa, J. (2012) Cannon trains its camera on China. *The Wall Street Journal*. Retrieved from

<http://online.wsj.com/news/articles/SB10001424127887323401904578160342074372424>

Research and Markets: *Research and Forecast of China Digital Camera Industry, 2013-2017*.

(2013) Reuters. Retrieved from <http://www.reuters.com/article/2013/07/31/research-and-markets-idUSnBw315846a+100+BSW20130731>

World Population Review. (2014) Shanghai population 2014. Retrieved from  
<http://worldpopulationreview.com/world-cities/shanghai-population/>