

Q-COMPANY GROUP S.L.

FINAL DEGREE WORK

MARKETING PLAN DEVELOPMENT

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30/06/2014

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SUBJECT: AE1049



This work is based on developing a marketing plan as a final degree work in Business Administration, completed at the University Jaume I. In order to capture knowledge and skills acquired in the course of the race. Specifically this marketing plan focuses on a Tile company, which has a series of weaknesses, that, with the right synergies of the opportunities presented by the sector and the environment that surrounds it may result in a defensible competitive advantage over time and against its competitors.

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1. INTRODUCTION:

The present work of the final degree, in Business Administration, is based on developing a marketing plan for a wholesale tile company (importer/exporter) located in the province of Castellon, Spain. It has been developed with purely academic purposes and to protect the identity; the data has been modified giving fictitious name to the company "Q-Company Group".

This work is based on the hypothesis that through the implementation of a successful marketing plan, the company to which reference is made could double its sales in the domestic market in a period of 4 years. All this within a framework where the Spanish economy is starting to have some stability results, since the effects of the crisis are dwindling. This fact is supported by the evolution of GDP, which stood at 1.2% in 2014, with an expected GDP for 2015 of 1.8 % (ECONOMIC BULLETIN SPAIN 2014), and weighing worldwide 0.7 % (in developed economies) in 2014 (E. R. SEOPAN 2012). This fact along with the opportunity that is occurring in the field of rehabilitation/reform at European level (EUROCONSTRUCT, WWW.EUROCONSTRUCT.COM 2013), where Spain has a 20% increase followed by Portugal, Poland and Ireland, opens a range of possibilities for a recovery of the Spanish tile industry, which step of -17.8 % in 2012 to -4% in 2013 nationally.

This marketing plan comes from the need to identify the weakness of the company in order to counteract them, enhance strengths and maximize the opportunities presented in the environment, avoiding the threats that comes from it; all this through the implementation of strategies and monitoring plans that ensures that these are implemented in good standing.

Specifically, one of the main weaknesses that aims to address is the drop in sales in the domestic market, because after comparing the result obtained from the periods 2011 vs. 2012 is appreciated a fall of -20.8%, and between 2012 vs. 2013 of -30.8%. Still, the mix between domestic and export market remains similar to those in the industry, where in a Pareto where 20% of the sales belongs to the domestic market and the export market remaining 80% is observed proportions.

Among the other weaknesses, it was decided to attack this, because the company needs to have economic stability not only in the export market but also in the domestic

market, so you can get the best value for money in both markets. Beyond performance, factors such as know-how of the domestic market, the product, suppliers, and costs, have led to choose this weakness as a target for improvement, so you can get results in the medium term and fix other minor weaknesses such as: import tariff barriers (anti-dumping), number of open accounts of customers, and brand diversification.

So this paper focuses on the processes to be followed to design the marketing plan with the goal of increasing nationwide sales, without neglecting the export market and maintaining profitability ratios.

After exposing work purposes and focused guidance that will follow, is passed on to detail the methodology used to achieve them:

The global economic situation will be evaluated, the environment in which the company and the tile industry is located. This seizes to know the external factors that can have an impact on the company and do not depend on it. On the second point an internal analysis will be performed, where the resources of the company, the marketing mix, operating income, positioning and target audience is mainly described. At this point it may highlight the factors that can have a direct impact on the company, which directly depend on it.

Once is carried out the internal and external analysis, the next step is proceeding to perform a SWOT analysis, where it will be extracted the Threats, Opportunities, Weaknesses and Strength this company is facing. From this analysis, is the CAME elaborated, where its mission is to establish different strategies from synergies between internal variables and external analysis, leading to the distinction of different strategies to solve the problems identified, and to choose that or those that are more profitable for the company.

A detailed orientation from the focus of the marketing plan objectives is set; which should be accessible, measurable and related to the mission and vision of the company. From this point the strategy, action plans, and details thereof, the resources required to run it, the feasibility of the plan is evaluated and the same is planned monitoring is established.

This plan will lead a conclusion that seeks, from a marketing perspective, guiding the company towards what plans/projects should continue to keep growing, scoring different strategies depending on the weaknesses and the opportunities on the market. Thus proactive vision of the company, fully exploiting its competitive advantages,

turning weaknesses into strengths, and further enhancing the competitiveness is searched.

2. EXTERNAL ANALYSIS:

2.1 Global Environment:

On the period of 2012, a strong emerging and developed but weaker in advanced economies dual evolution of the global economy was confirmed. This observation leads to greater dynamism in the United States versus the contraction moderated in the Euro area, specifically according to the IMF; the Euro zone had an economic prediction for 2014 of -0.3% and 1.1% while the United States has a positive prediction of 1.9% and 3.0%¹.

This weak growth in the euro zone is a consequence of the weakness of the periphery countries, in which Spain and Italy stand. Advancing the process of internal devaluation stands, which favors the competitive improvement in most of these countries, but with a rather slow evolution. This improvement is boosting exports, but not with the enough strength that is required to offset the weak domestic demand.

Regarding the emerging industries expectations that remain in positive outlook because aggregate demand has remained on the line with a high level of potential, ranking them as the main source of growth in the world economy. This fact can be seen backed in Table 1: GLOBAL ACTIVITY PERSPECTIVE (CHANGE IN %) where the forecasts for 2014 industries of developed vs. emerging countries is observed.

Focusing specifically on the Euro zone, the IMF estimates that the risk of rupture has been substantially reduced, this not only can be seen in the widespread upswing in the financial markets, but also a greater financial stability is appreciated. These improvements in the debt markets, especially in peripheral countries, have not yet been transferred to companies and households, since banks are still suffering the effects of the crisis and low levels of capital, leading to a restriction of credit supply.

As this point concludes that the recovery of the global economy remains moderate, uneven and even fragile. Where advanced economies, not belonging to the Euro zone continue to maintain a moderate and where the source of global growth, as previously discussed, is located in the emerging economy recovery.

¹ Note that this growth will be achieved with intense fiscal consolidation known as "fiscal abyss; general increase in taxes would be accompanied by strong public spending cuts ", its incidence is estimated close to 1.8% of GDP.

Table 1: GLOBAL ACTIVITY PERSPECTIVE (CHANGE IN %)

	Weight global GDP 2012	2011	2012	Prevision	
				2013	2014
DEVELOPED	50,10%	1,6	1,2	1,2	2,2
USA	18,90%	1,8	2,2	1,9	3
Japan	5,60%	-0,6	2	1,6	1,4
EU	13,70%	1,4	-0,6	-0,3	1,1
Germany	3,80%	3,1	0,9	0,6	1,5
France	2,70%	1,7	0	-0,1	0,9
Spain	1,70%	0,4	-1,6	-1,2	0,7
UK	2,80%	0,9	0,2	0,7	1,5
EMERGING	49,90%	6,4	5,1	5,3	5,7
Russia	3,00%	4,3	3,4	3,4	3,8
China	14,90%	9,3	7,8	8	8,2
India	5,60%	7,7	4	5,7	6,2
Brazil	2,80%	2,7	0,9	3	4
Mexico	2,10%	3,9	3,9	3,4	3,4
WORLD	100,00%	4	3,2	3,3	4

(E. R. SEOPAN 2012)

2.2 Spanish environment

The Spanish GDP in the year 2012 stood at -1.6%. This deterioration is due to the decline in domestic demand; consequence of the fall in private consumption and investment goods. Particularly the private consumption is affected by variables such as the VAT increase, the suspension of the bonus, the high rate of unemployment, consumer confidence, among others. The decline in private consumption was recorded at -2.1%, although the decline related to macroeconomic variables such as; retail sales, sales of large enterprises in consumer goods and services, vehicle registrations, among others, had a more pronounced decline in this period with results of -7.1%, -5.3% and -12.9% respectively (FERNÁNDEZ 2012).

Throughout 2013 the economy continued a path of improvement, allowing out of the downturn; this came thanks to an easing of tensions in financial markets by the progressive normalization of external financing flows and improving confidence in the labor market behavior. According to the Official Bulletin of Spain, the GDP for the year

2013 closed the last quarter with no change over the previous year, though still recording negative data (-1.2% at year end 2013) as consequences of the decline of the activity recorded in 2012.

Table 2: ACCOUNTING FINANCIAL REPORT 2012 VS 2013

	2012	2013	I QUARTER	II QUARTER	III QUARTER	IV QUARTER	I QUARTER	II QUARTER	III QUARTER	IV QUARTER
National Accounting										
Quarterly rate, unless otherwise specified										
Gross Domestic Product	-1,6	-1,2	-0,4	-0,5	-0,4	-0,8	-0,4	-0,1	0,1	0,3
Private Consumption	-2,8	-2,4	0,2	-1,1	-0,7	-2	-0,6	0	0,4	0,4
Gross Capital Formation	-6,9	-5,6	-1,4	-3,2	0,2	-3	-1,4	-2,1	0,1	1,1
Domestic Demand	-4,1	-2,8	-0,5	-1,3	-1,2	-1,8	-0,4	-0,6	0,3	0,3
Export	2,1	5	-3,1	0,6	6,5	0,6	-4,3	6,4	2,2	-0,6
Import	-5,7	0,3	-3,3	-2,2	4,6	-2,6	-4,5	5,2	2,8	-0,6
Contribution of net exports	2,5	1,6	0,1	0,8	0,6	1,1	0	0,5	-0,1	0
Internal Rate of change										
GDP	-1,6	-1,2	-1,2	-1,6	-1,7	-2,1	-2	-1,6	-1,1	0
Employment	-4,8	-3,3	-4,3	-5,1	-4,7	-5	-4,6	-3,9	-3,2	-1,5
GDP Deflator	0	0,9	-0,1	-0,1	0,2	0,0	1,2	0,7	0,4	1,1
Price indicators (year on year data period end)										
CPI	2,4	1,4	1,9	1,9	3,4	2,9	2,4	2,1	0,3	0,3
General price index without unprocessed food and energy products	1,6	1,4	1,2	1,2	2,1	2,1	2,3	2	0,8	0,2
Instrument to support economic policy	2,4	1,5	1,8	1,8	3,5	3	2,6	2,2	0,5	0,3
Instrument differential policy support against the euro area	-0,1	0,2	-0,9	-0,9	0,9	0,8	0,9	0,6	-0,6	-0,5

(ECONOMIC BULLETIN SPAIN 2014)

As shown in Table No. 2, in 2013 was detected an improvement of the Spanish economy, resulting in a null results GDP growth and emphasizing the reduction of unemployment and a slowdown in inflation; this is because it has reduced the effects of the rise of some administrative prices and VAT rise, leading to price stability.

Concluding that according to these data, supplied by the Economic and “Funca” Bulletin, facing the 2014 it is expected that positive data for Spanish economy with a GDP of 1.2% and a prevention for 2015 of 1.8%.

2.2.1 Tile Industry

Sector Analysis²:

Spain is a country that has more prestige in the tile industry, characterized as one of the main sectors of the Spanish economy. According to ASCER (Spanish Association of Manufacturers of Ceramic Tile), is considered the third most important in regard to contributions from trade surplus (2.022 million euro’s during the year of 2012), and the first commercial coverage sector. Consequence of this is that the leading position in this sector occupies both technological development and design and quality of materials and services; thus taking possession of the second largest exporter in Europe and the third world.

² Source: (ECONOMIC BALANCE OF SPANISH CERAMIC INDUSTRY 2012)

According to ASCER, in the fourth quarter of 2012, a total of 2,657 million euro's, of which 78.4% are invoiced sales perform abroad, thus be appraised **exports** of 2,082 million euro's (10% increase). While sales in the domestic market continue to decline, particularly as radiography holding ASCER a decrease of -17.8% is produced. Below in Table No. 3 shows the evolution of sales in the domestic market and exports is observed.

Table 3: TOTAL SALES EVOLUTION

Year / million €	2007	2008	2009	2010	2011	2012	2013
Export	2.295	2.211	1.673	1.747	1.897	2.082	2.248
Domestic	1.871	1.460	918	801	700	575	552
Total Sales	4.166	3.671	2.591	2.548	2.597	2.657	2.800

(ECONOMIC BALANCE OF SPANISH CERAMIC INDUSTRY 2012)

In 2013 the fiscal exports increased about 8% and a moderate decline in the domestic market of -4%, as shown in the table, where the turnover is 2,800 million euro's occurs.

Table No. 4 shows how exports from this sector are divided according to countries and areas where the same target, comparing the years of 2012 and 2013.

Table 4: SPANISH EXPORT BY NATIONALITY (MILLION AND PERCENTAGES)

ZONES	2012	2013	12/13	QUOTA %	TOP SIDE	2012	2013	12/13 (%)
EUROPA	1.029,1	1.041,5	1,2%	46,5%	France	234,7	227,9	-2,9%
EU27	734,2	734,5	0,0%	32,8%	Saudi Arabia	163,9	175,8	7,2%
EU15	627,7	618,3	-1,5%	27,6%	Russia Fed	160,8	169,2	5,2%
EUROZONE	544,0	528,2	-2,9%	23,6%	UK	98,9	105,2	6,4%
New EU members	106,5	116,2	9,1%	5,2%	Algeria	83,3	99,5	19,4%
EAST EU	262,2	277,9	6,0%	12,4%	Libya	44,9	94,3	110,3%
Near East	465,4	493,5	6,0%	22,0%	U.S.A	79,7	92,6	16,2%
Germany	213,0	230,4	8,1%	10,3%	Israel	77,3	89,8	16,3%
Nord America	120,7	135,9	12,6%	6,1%	Germany	83,0	81,9	-1,4%
U.S.A	79,7	92,6	16,2%	4,1%	Italy	58,4	59,0	1,0%
Central America	37,8	41,4	9,5%	1,8%				
South America	54,6	53,1	-2,7%	2,4%				
Asia	536,5	574,9	7,2%	25,7%				
EAST & SOUTHEAST	59,8	67,3	12,6%	3,0%				
Africa	289,1	379,2	31,2%	16,9%				
Marbeg	190,2	263,3	38,4%	11,8%				
Oceania	13,7	13,7	-0,2%	0,6%				
Total World	2.081,5	2.239,7	7,6%	100%				

(ECONOMIC BALANCE OF SPANISH CERAMIC INDUSTRY 2012)

It is observed that the predominant destination remains the European country with 46.5% of the total, while the other 53.5% goes to the rest of the world.

It also shows that France is the first destination for ceramic products, with 11% in 2012 and 10% of the total in 2013, along with Saudi Arabia, Russia and the UK accounted for 20% in both years.

So according to this analysis of the sector has been maintained thanks to exports, as domestic demand remains steady. Table No. 5 the percentage of this sector for the sector of Spanish exports is appreciated.

Table 5: SPANISH EXPORT / EXPORT OF TILES

EXPORT SECTOR	2010	2011	2012	2013	2014	TOTAL
Tiles	104,032	126,662	142,29	151,45	173,914	11%
Sanitary and other ceramic products	21,714	27,605	27,605	25,506	28,354	2%
TOTAL EXPORT SECTOR						1,515,695

(S. R. CEPCO 2014)

Regarding the **imports** is important to look that the main supplier of tile country is China, with 40% of the value imported by the Valencia Community³, an area where is located the cluster. This relatively high percentage is because China owns 25% of world production (2011-2012;(IVEX, CERAMIC VALENCIA 2013)).

This must be attributed to Chinese companies (in this sector) have subsidies, getting the opportunity to reduce their production costs and consequently how the price of products. For this reason in the EU "anti-dumping"⁴ rate appears with the aim of defending the internal market.

Industry Structure:

The Spanish tile sector is characterized by its concentration in the province of Castellón, leading to a cluster consisting of a number of ancillary industries and organizations/institutions (TECHNOLOGICAL INSTITUTE OF CERAMICS, ASCER UNIVERSIDAD JAIME I, ANNFEE and ASEBEC) that allow you to promote

³ Source: (IVEX, CERAMIC VALENCIA 2013)

⁴ Means dumping; subsidies or incentives granted by a government to promote exports. In such cases it aims to balance the situation and hence anti-dumping duties or countervailing duties or antidumping duties on defense the EU internal market apply. E-ECONOMIC, <http://WWW.E-ECONOMIC.ES/>, 2014.

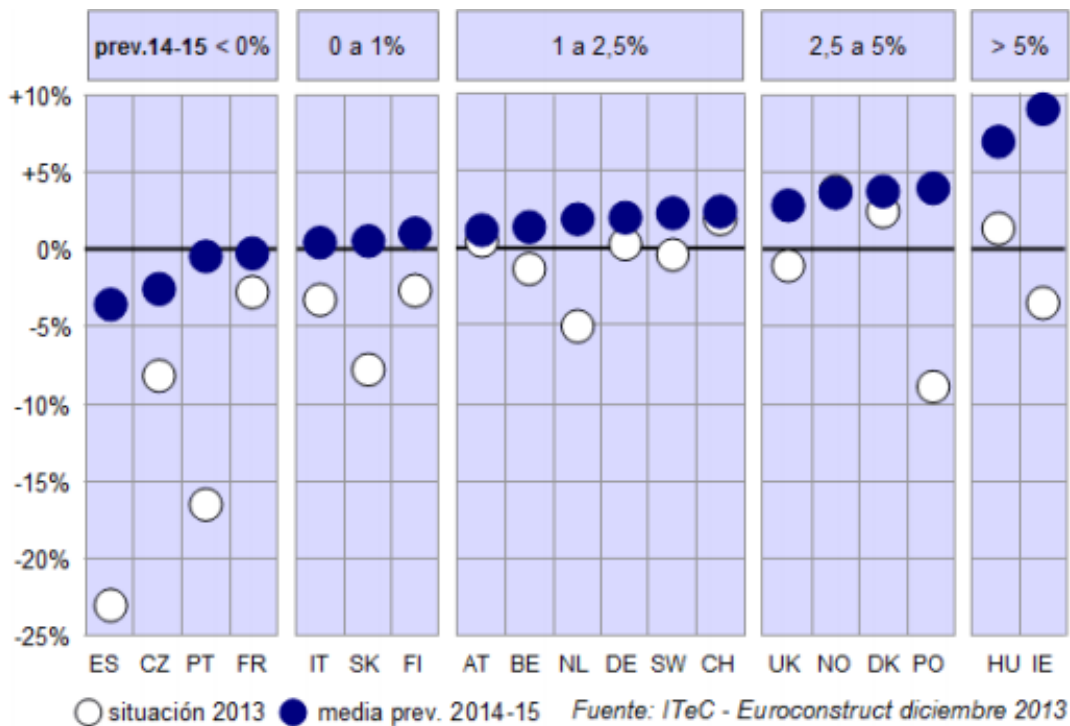
competitiveness necessary to obtain its position globally. This cluster or industrial district is bounded by Alcora, Borriol, Onda, Nules and Castellón.

DETERMINANTS:

Among the relevant factors one of the main factors affecting this sector is the development of the **construction sector**, since the tile sector is complementary to it. Being the construction industry the main cause of internal trade decline.

As previously mentioned the tile industry has its main source of income in exports, where 46.5% goes to the EU, therefore it is important to know how evolves the construction sector in the EU (Graph No.1).

Graph 1: EVOLUTION OF THE CONSTRUCTION SECTOR IN THE EU



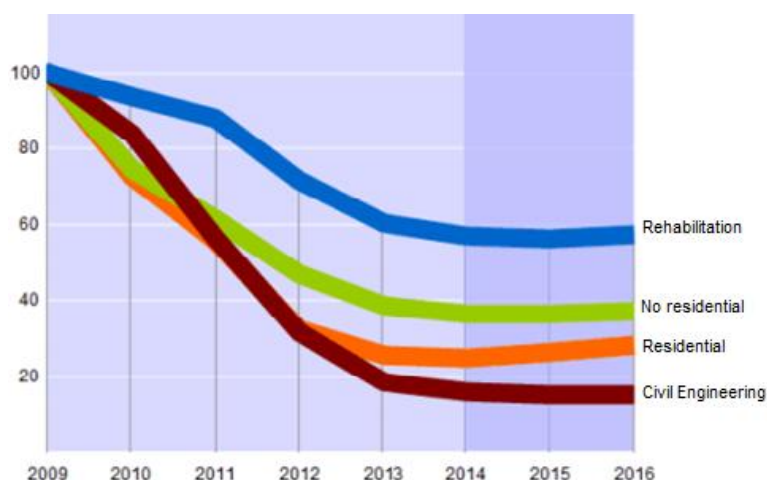
(EUROCONSTRUCT, WWW.EUROCONSTRUCT.COM 2013)

As shown in the graph No. 1, the increase in construction in Spain is expected to be high, from -25% to -5%, ie an increase of 20%, which stands out among the rest of member states, followed by Portugal (PT), Poland (PO) and Ireland (IE). This is favorable to the sector, as it will stabilize domestic trade over the period 2014/2015, and opens new opportunities for the export market (PT, PO, and IE).

Although according to the BOE data between the periods 2012 and 2013 there have been 4,030 bankruptcy proceedings in the construction sector, that is dangerous leading to prevention by 2014 rather negative in the sector.

In Graph 2, the evolution (2009-2016) building is seen in Spain distinguishing between civil construction, residential, non-residential and rehabilitation engineering.

Graph 2: EVOLUTION OF DIFFERENTS CONSTRUCTION SUB-SECTORS IN SPAIN (PREVISION)



(EUROCONSTRUCT, WWW.EUROCONSTRUCT.COM 2013)

Stressing that in negative views of this sector, subsector rehabilitation/reform is an alternative quite potential to get back to revive domestic demand tile industry in Spain, made consistent with the Graph No.1 which was appreciated that produce an increase in the construction of 20%.

To understand better the field of rehabilitation/reforms, the report relevant data held by the company Habitissimo⁵ contrasts. This report is based on a survey that allows to know information such as the average cost, frequency, regions and categories of most defendants in the field of rehabilitation/ reforms.


According to data collected in the Survey of Individuals 2013, the economic crisis has not stopped the proposed reforms in the household; "83% of respondents said they will continue to make reforms in their homes or premises." As the average household expenditure reforms in 2013 of 7,502 euro's. Similarly, the average annual expenditure

⁵ Online company in Spain that brings together professionals in the construction, with individual works and reforms that need to do some work at home. (<http://WWW.HABITISSIMO.ES> 2014)

on home renovation stands at 1,100 euro's. In this same survey also highlights that the average frequency with which reforms take place is 3.6 years.

On the other hand, the provinces that have accumulated more amount of work have been Madrid with a 93% increase compared to 2012 and Barcelona with 80%. Other notable regions have also increased the number of jobs in the sector reforms were Valencia (60%), Sevilla (69%), Alicante (64%), Malaga (63%) and Balearic Islands (79%).

Table 6: GROWTH IN WORKS AND REFORMS BY REGIONS MOST REPRESENTATIVE. (QUARTERLY COMPARATIVE 2012-2013)



	Madrid	Barcelona	Valencia	Sevilla	Alicante	Málaga	I. Balears
1 Qtr.	▲ 149%	▲ 134%	▲ 104%	▲ 91%	▲ 110%	▲ 98%	▲ 112%
2 Qtr.	▲ 105%	▲ 92%	▲ 78%	▲ 78%	▲ 73%	▲ 80%	▲ 88%
3 Qtr.	▲ 98%	▲ 94%	▲ 75%	▲ 89%	▲ 64%	▲ 68%	▲ 90%
4 Qtr.	▲ 51%	▲ 28%	▲ 10%	▲ 30%	▲ 26%	▲ 24%	▲ 43%
Total	▲ 93%	▲ 80%	▲ 60%	▲ 69%	▲ 64%	▲ 63%	▲ 79%

(<http://WWW.HABITISSIMO.ES> 2014)

In regard to the reforms carried out in the most demanding provinces (Madrid and Barcelona), shows that major reforms are made in kitchens and bathrooms (as shown in Table No. 7).

Table 7: GROWTH BY CATEGORIES

Categories	Madrid	Barcelona
Home Construction	▲ 56%	▲ 26%
Painters	▲ 87%	▲ 63%
Bathrooms Renovations	▲ 94%	▲ 90%
Kitchen Renovations	▲ 80%	▲ 98%
Commercial reforms	▲ 34%	▲ 63%
Housing reform	▲ 65%	▲ 70%

(<http://WWW.HABITISSIMO.ES> 2014)

With regard to **finance** is important to note that being a fairly related industry, if not complementary to construction (trigger for the crisis of the housing bubble sector), funding is scarce and expensive.

3. INTERNAL ANALYSIS⁶

3.1 History

Q-Group Company was founded in late 2003, in order to encompass the needs of various companies belonging to the same family, so it consists of Q-Tile SL Spain, Italy and Q-Tile SL.

This group is dedicated to wholesale of complementary construction, classified in CNEA group G with product code 4673; Wholesale of wood, construction materials and sanitary equipment.

Its headquarters, ie, where the administrative area and storage area for managing logistics, is located in the province of Castellón de la Plana, specifically in Onda.

How much Q-Company Group with 10 years operating in the sector, which has allowed it to acquire a great experience at the national level. So this group is defined themselves as a group that seeks "to demonstrate a firm commitment to quality and service to our customers and distributors, thanks to the evolution and variety of products we offer. We are always in search of new options that meet market needs. "

3.2 Mission

The Group defines the mission of the company as: "Design and market products that conform solutions for bathrooms and kitchens, as well as coverings for homes, offices, commercial and institutional establishments."

3.3 Vision

The Group defines the vision of the company as: "Leading the field of marketing of products for the remodeling and construction in Spain, and position ourselves as a strong competitor in Europe, Asia, USA and South America, in 2018."

⁶ Source: (WWW.Q-COMPANYGROUP.COM 2014)

3.4 Values

Q-Tile Company Group is based on the following values in order to carry out its activities:

- Passion for customer service.
- Commitment to innovation and product development.
- Austerity and simplicity in the management model.

3.5 Resource

Within this point difference between tangible resources held by the company and intangible resources:

Tangible resources:

- Facilities: 16 per each, for a total area of 10,500 m² covered storage 650 m² own ships.
- Staff: This group currently has a staff of 27 people; administrative, personal storage, developers and managers.
- Auxiliary for operating activities: a fleet of 5 forklifts loading and unloading, and 5 cargo vans.
- Hardware Platform: have management software and a computer platform (SPAIN-ITALY), which allows to manage all the activities of both the headquarters and the logistics warehouse located in Italy.

Intangible Resources:

- Geographical location: the geographical area in which the entities of this group are allowing them to learn new trends leading them to constantly innovate the market; cluster of ceramics in Spain and Italy.
 - o Q-Tile Spain S.L:

Company located in Spain (Castellón de la Plana, Onda), specializing in the commercialization of ceramic tile quality.

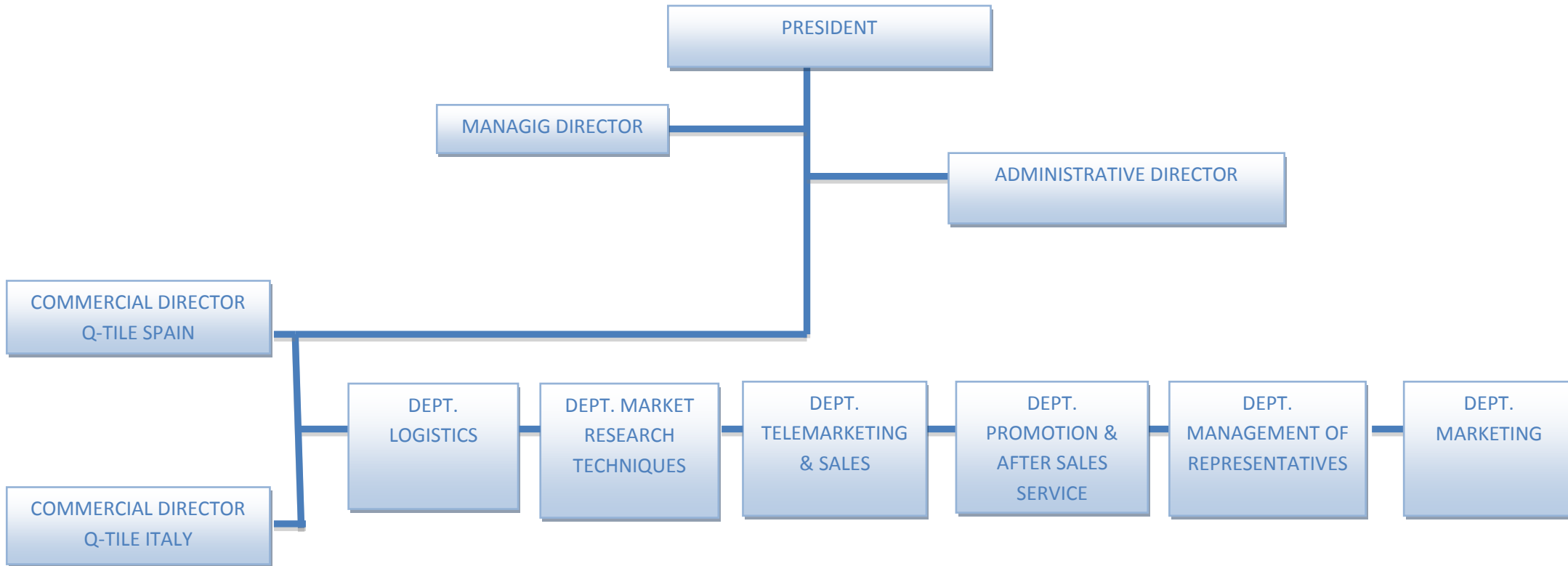
○ Q- Tile Italy S.L:

Company located in Sassuolo, Italy (cluster of ceramics in Italy), responsible for expediting and streamlining freight service to various customers located in central and southern Europe.

- Human capital: Pretty important resource for this group since knowledgeable staff, which has allowed it to evolve each day allowing it to grow and develop new markets. Since the group is being divided into two entities, the staff complement to carry out the activity together leading to a competitive advantage difficult to imitate and defensible in time.
- Logistics network: the group has a sustainable logistics network that allows it to operate in the continents of Europe, Asia, and America. This has enabled it to foster lasting relationships with its various clients and suppliers based on trust and loyalty, which translates into a collaborative effort that allows better meet their customers which leads to themselves, a competitive advantage based on relationships.
- Brand Distribution: This group has a distribution with a mark on the American continent "Daka" allowing it to strengthen its position in the sector by introducing specialized products in that area, in addition to those already in the group, for to better meet the needs of its customers.
- Social Responsibility: This group cooperates with the Simon Bolivar Musical Foundation; under The National Orchestra and Choir Youth and Children's social work is constituted with the aim of reducing levels of poverty, illiteracy, marginal and exclusion of children and young people. Another Social Responsibility, made by the group, is carried out in Spain, through the entity Q-Tile Spain SL commitment to the sport by sponsoring soccer teams Club room the Salle de Paterna is encouraged.

3.6 Structure⁷

Organization chart 1: Q-COMPANY GROU



⁷ WWW.Q-COMPANYGROUP.COM, 2014

As it can be appreciated in the chart No. 1, a matrix structure divided by geographic areas (Spain and Italy) and departments, with a vertical hierarchy tendency as it is formed as follows:

- At the top of the structure the chairman, who oversees the work of the various departments and managers in both geographical areas are.
- Second is the general manager, which is responsible for overseeing all activities of the company and staff. In order to take appropriate decisions and to diagnose the situation of the company president.
- Thirdly, the managing director, who is responsible for managing the administrative department of custom collections and finance, both for the geographical area in Spain and Italy are located.
- Fourth are the marketing managers of Spain and Italy, which are responsible for maintaining the market and synchronize the various departments to maintain the effectiveness and efficiency of the business.
- Five, and last, place the various departments are required to conduct business activity. Each department has a manager to oversee the tasks carried out and achieves the goals set by top management.

3.7 Marketing Mix

- Price: This group provides a positioned on the middle and upper segments with an average value of 38 euro's m² marked, suggested retail price to the public in their fare prices.
- Products: has a range of products; floor and wall tiles under the brand Q-tile that is characterized by a high line with a deep, low amplitude (three product lines: floor and wall tiles for domestic, commercial and urban use) and short length (porcelain stoneware tiles).
 - o Floor and wall tiles: where there are a variety of collections to suit different environments and tastes. (Q-Tile).

Table 8: FLOOR & WALL TILES DESCRIPTION

COLLECTION	TYPE	SIDE
Classic	Polished porcelain	29,7x60-40x40-60x60 12"x20"-16"x16"-24"x24"
Creative	Polished porcelain	29,7x60 – 40x40 – 50x50 – 60x60 –80x80 12"X20" – 16"X16" – 24"X24"
Mineral	Todomasa porcelain	29,7x60 – 60x60 12"X20" – 24"X24"
Metallic	Glazed porcelain	29,7X60 – 60X60 12"X24" – 24"X24"
Nature	Todomasa porcelain	15X90 6"X36
Urban	Glazed porcelain	29,7X60 – 60X60 - 39,7X80 – 80X80 12"X24" – 24"X24"

(WWW.Q-COMPANYGROUP.COM 2014)

- Decorative accessories such as skirting, steps and skirting that complements the above products. (Q-Tile)
- Place: As a company that sells wholesale distribution channel are chain stores specializing in rehabilitation (retail).
- Promotion: This group uses The following communication tools and Merchandising:
 - Physical Catalog
 - Exhibitors
 - Website

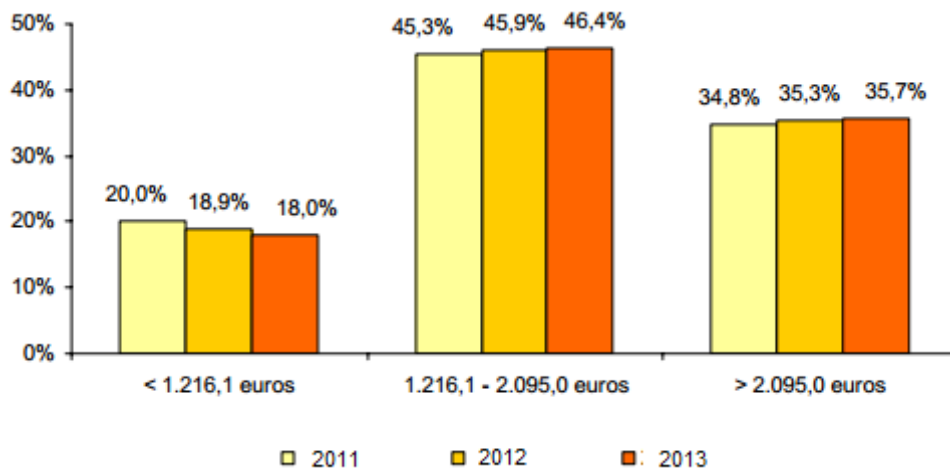
- Personal promotion by: department of promoters and outsourcing recourses (external representatives)

3.8 Target Audience

The target is the Spanish audience, as previously mentioned, are chain stores specializing in rehabilitation/reform, having an average sales value of 32 to 45 euro's per m² (suggested retail price to the public), which may be secured by *Credito & Caución/CESCE* or the company can take an internal risk according to financial data that can be collected about it.

While the final consumer, whose heads the company belongs to the medium-high segment of the population. This is inferred from the data obtained from Habitissimo⁵, which reflects the average annual expenditure is approximately € 7,502, so the target audience is one that represents 30% of employees with their gross monthly salary exceeding € 2,095 and 40% of employees with their salaries between € 1,216 and € 2,095, according to the INE(INSTITUTO NACIONAL DE ESTADISTICA 2013) the following graph shows the evolution of wages in the years 2011 -2013.

Graph 3: WAGE DEVELOPMENTS



(CAIXA s.f.)

Similarly this audience is identified within the medium-high segment, as it provides between 150-270 m²/year rehabilitation/reform, the average surface in the Spanish territory of 93,75 m². Examples of this perception can be the following:

- Final Consumers who own 1.6 homes/premises. For example, two homes/premises, one of 90m² and a 60m².
- Final Consumers who own 2.88 homes/locals. For example 3 dwellings/premises of 90 m² each or 1 housing/local 180 m² and 1 house/premises of 90 m².

Below in Table No. 9, the number of customers reaching by this group, divided by provinces along with the weight held by each one of these is appreciated.

Table 9: Q-COMPANY GROUP DOMESTIC MARKET PARTICIPATION

PROVINCE	No. CUSTOMERS	WT %
Total	480,00	100,00%
MADRID	74	15,36%
CASTELLON	47	9,70%
VALENCIA	44	9,23%
BARCELONA	41	8,57%
ALICANTE	32	6,57%
GERONA	24	5,04%
SEVILLA	24	4,95%
GRANADA	22	4,67%
TARRAGONA	20	4,17%
JAEN	15	3,10%
CORUÑA (LA)	14	2,86%
MURCIA	11	2,35%
PONTEVEDRA	11	2,24%
VIZCAYA	10	1,99%
PALMAS (LAS)	9	1,83%
CADIZ	9	1,80%
TOLEDO	7	1,51%
CORDOBA	6	1,32%
ALBACETE	6	1,25%
MALAGA	6	1,23%
LERIDA	6	1,22%
NAVARRA	6	1,21%
ORENSE	5	1,14%
MELILLA	5	0,95%
LUGO	4	0,90%
GUIPUZCOA	4	0,87%

ZARAGOZA	4	0,85%
LA RIOJA	3	0,66%
LEON	2	0,33%
ALAVA	2	0,32%
HUELVA	1	0,31%
SALAMANCA	1	0,28%
TERUEL	1	0,26%
SEGOVIA	1	0,23%
BADAJOS	1	0,19%
HUESCA	1	0,17%
ALMERIA	1	0,11%
BURGOS	0	0,0%
CUENCA	0	0,0%
AVILA	0	0,0%
GUADALAJARA	0	0,0%
ASTURIAS	0	0,0%

(WWW.Q-COMPANYGROUP.COM 2014)

In order to obtain a visual perception of the market to this group arrives, as shown below in No. 1 Image size circumferences where the company has a greater weight of participation.

Image 1: Q-COMPANY GROUP DOMESTIC MARKET REPRESENTATION



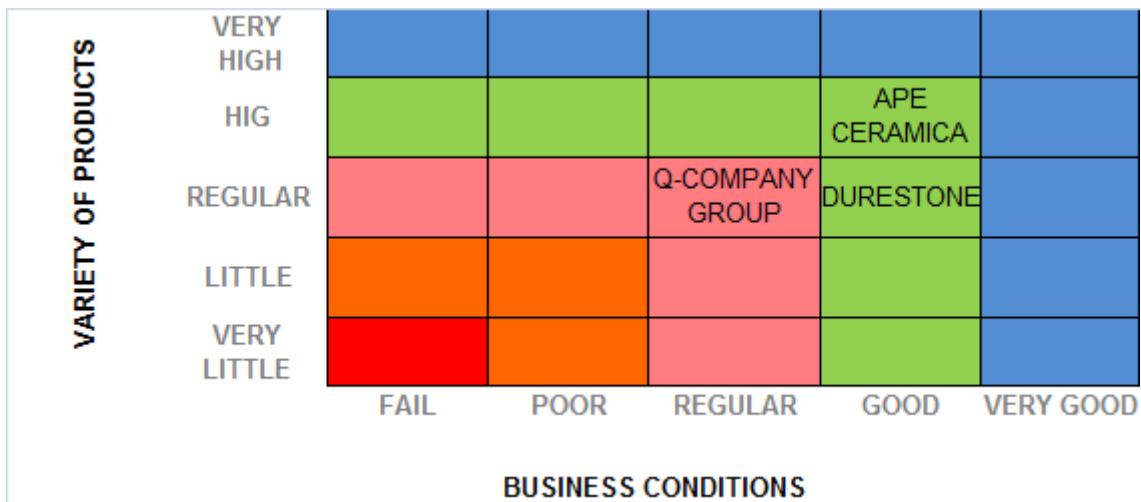
(WWW.Q-COMPANYGROUP.COM 2014)

The main reason why this group only gets to have as open accounts, a third of the market (about 480 of the 1,440 existing customers in approximately Spain) is because it has a single brand; in a highly competitive market where geographically stores is seeking differentiated offering different brands and products.

3.9 Market Positioning

The variables to consider in positioning are the variety of products offered and business conditions (discounts, paydays, credit, freight, etc). Based on these two variables the direct competitors of this group are chosen in order to know their market position.

Graph 4: POSITIONING MAP



SOURCE: SELF DEVELOPMENT

As shown on positioning map Q-COMPANY GROUP is in the pink section, with regular commercial basis and with a variety of products regularly, ie, is located in the middle section. While it's direct competitors (APE CERAMICA and DURESTONE) are positioned in the green section, where business conditions and the variety of products are superior.

3.10 Operational Results

To observe the profitability and sustainability of this group in Table No. 10 is the evolution of the company for the periods 2011 to 2013 sales, gross margin, EBITDA⁸ and EBIT⁹ ratios, and net profit.

Table 10: Q-COMPANY GROUP BALANCE

	YEAR		YEAR		YEAR	
	2011	% Sales	2012	% Sales	2013	% Sales
SALES	5,947,623.48 €	----	6,215,348.69 €	----	5,795,312.25 €	----
GROSS MARGIN	3,504,339.75 €	58.9%	4,079,133.35 €	65.6%	3,746,089.84 €	64.6%
EBITDA	340,972.26 €	9.7%	482,153.56 €	11.8%	408,323.79 €	10.9%
EBIT	25,641.11 €	7.5%	44,792.07 €	9.3%	30,991.78 €	7.6%
NET PROFIT	1,130.77 €	4.4%	2,324.71 €	5.2%	1,465.91 €	4.7%

(E-INFORMA 2014)

The financial situation of this group, despite the crisis that occurred in companies related to the construction sector, is quite stable, as shown in the financial analysis (balance).

Now, in Table No. 11 shows how it has been losing sales of the domestic market for the export in the periods 2011, 2012 and 2013, ranking the sales in the domestic market in 2013 by 18.2% and in the export market by 81.8%. This reflects the high dependency group that owns the foreign trade.

⁸ EBITDA financial indicator represented by an acronym in English Earnings Before Interest, Taxes, Depreciation, and Amortization, ie, the gross operating profit as computed before the deduction of financial expenses.

⁹ EBIT: Earnings Before Interests and Taxes, it is the business income before interest and taxes. Its value corresponds to the operating profit of the Profit and Loss Account. <http://WWW.EXPANCION.COM>.

Table 11: DOMESTIC VERSUS EXPORT MARKET

	YEAR 2011	% Sales	YEAR 2012	% Sales	YEAR 2013	% Sales
NATIONAL	1,930,003.82 €	32.5%	1,527,683.49 €	24.6%	1,057,145.78 €	18.2%
EXPORTS	4,017,619.66 €	67.6%	4,687,665.20 €	75.4%	4,738,166.47 €	81.8%
TOTAL SALES	5,947,623.48 €	100%	6,215,348.69 €	100%	5,795,312.25 €	100%

(WWW.Q-COMPANYGROUP.COM 2014)

In the comparative table No. 12 falling sales in the domestic market, reaching a -30.8% compared to 2012 is evident.

Table 12: DOMESTIC MARKET DEVELOPMENTS

	YEAR 2011	% SALES	YEAR 2012	% SALES	YEAR 2013
NATIONAL	1,930,003.82 €	-20.8% ↓	1,527,683.49 €	-30,8% ↓	1,057,145.78 €
EXPORTS	4,017,619.66 €	14.3% ↑	4,687,665.20 €	1,1% ↑	4,738,166.47 €
TOTAL SALES	5,947,623.48 €	4.3% ↑	6,215,348.69 €	-7% ↓	5,795,312.25 €

(WWW.Q-COMPANYGROUP.COM 2014)

Graph 5: DOMESTIC SALES GROWTH

NATIONAL SALES GROWTH: -30.8%



SOURCE: SELF DEVELOPMENT

Then the market share held by the Group in the tile industry, using data analysis discussed in the sector (2.2, 2013) is evident.

Table 13: Q-COMPANY GORUP MARKET SHARE REGARDING SPANISH SECTOR

	SPAIN	Q-TILE GROUP	WT. %
DOMESTIC	552,000,000.00 €	1,057,145.78 €	0.19%
EXPORTS	2,248,000,000.00 €	4,738,166.47 €	0.21%
TOTAL	2,800,000,000.00 €	5,795,312.25 €	0.21%

SOURCE: SELF DEVELOPMENT

From this table you can extract market share relative to the Group Spanish tile sector, which stands at 0.21 points of the total.

4. SWOT ANALYSIS

Threats:

- Like other sectors, the effects of the current economic crisis that is happening Spain are a major threat.
- Mature industry, where products are homogeneous and achieve differentiation from its competitors is complicated.
- The tile industry is complementary to the building, which is considered as the main trigger of the crisis, so when it comes to funding, to undertake new investments, it is expensive or nonexistent.
- The “anti-dumping⁴” rate hinders imports, leading to the creation of barriers and high costs.

Opportunities:

- The sector (subsector) of rehabilitation/reform has recovered by 20%, from -25% to -5%.
- Spain is one of the leading countries in the field, resulting in the ceramic cluster that allows them to innovate and set trends in the sector.
- The effects of the crisis are "undermining", which makes more attractive the possibility of investing.
- Sustained growth in developing countries has a potential market.
- Side effects of the crisis have led to stagnation in the development of the sector; new products, branding, merchandising, etc.
- The domestic market is showing signs of recovery, of a fall of year 2012 vs. 2011 a 17.8% has dropped to a fall, in 2012 vs. 2013, of -4%.

Weaknesses:

- By having only one brand, Q-Tile, its market share is reduced because the target audience you are addressing is highly competitive, so they seek apart from their competition by offering different brands and products.
- The high specialization in one type of product, porcelain tiles, leading to an increased risk.
- Being an SME has little bargaining power with its suppliers.

- Loss of participation in the domestic market, a -20.8% in the years 2011-2012 and a -30.8% in the years 2012-2013.

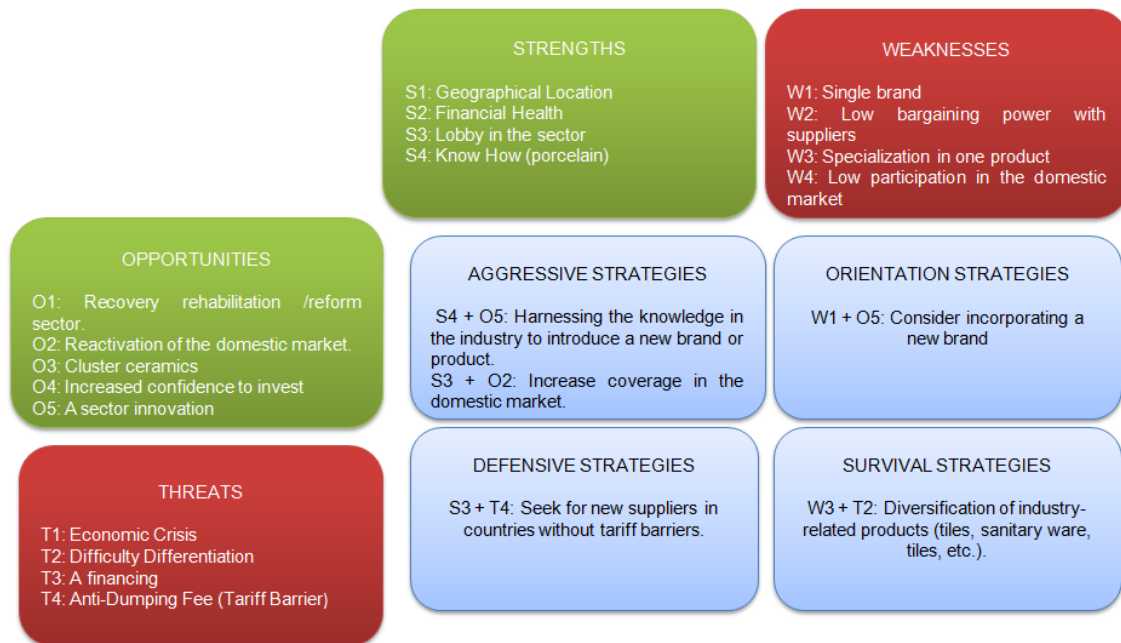
Strengths:

- The location of two logistics warehouses in Onda (Spain) and Sassuolo (Italy) gives you the prestige of belonging to the main cluster of ceramics, allowing meeting new trends and requirements of the application, so you can capacitate and innovating constantly.
- Being oriented import/export of building materials, the effects of the fall in domestic demand have not been decisive in the outcome of its exploitation exercises thanks to the rebound in exports group.
- The group has extensive experience in both domestic and international market, leading to good relations with the various agents that are part of the sector.
- Know How the porcelain tile market, the company has over 10 years in the sector.

5. CAME ANALYSIS

Below you will perform a CAME analysis (correct weaknesses, addressing threats, maintain strongholds, and explore opportunities) to take appropriate approach on the marketing plan and actions to make decisions. This analysis will help establish the necessary goals for the company and the strategies needed to accomplish them.

Graph 6: CAME ANALYSIS



SOURCE: SELF DEVELOPMENT

6. OBJECTIVES OF MARKETING

The objectives of this marketing plan are for a term of 4 years and born of the need to solve the main problems identified in the internal analysis of the company, who is the drop in sales in the domestic market in a -30, 8% which represents the loss of land in the market regarding the export.

As the main problem has been detected, is also evident that the main reason is that this Group is aimed at a highly targeted audience seeking the ultimate competitive differentiation. So you cannot reach the entire market with a single brand.

Thus, the objectives set for this plan is divided into commercial, relational marketing and economic objectives. These objectives are:

Business/commercial Goals:

- Increase turnover of 2,115,000.00 euro's for the domestic market within 4 years, resulting in a twofold increase in turnover of the domestic market, maintaining profitability ratios.

Relational goal:

- Establish business relationships with at least 2 new suppliers in a span of two years, which allows solving the threat of "anti-dumping" (tariff barriers).
- Open 480 new customers in the Spanish territory within 4 years, ie 120 clients per year.

Economic objective of marketing:

- Recover the initial investment within 3 years (from 2015) so as to maintain the profitability of the company.

7. MARKETING STRATEGIES

The marketing strategy is based on an increase in sales through product development, particularly with the introduction of a new brand of porcelain stoneware in the country, in order to achieve marketing goals (referred to in section 6). The main Reason why this strategy is chosen is that it will increase the coverage of the national market, make the business know-how to reduce risks and costs, and also promote the search for new suppliers to remove existing trade barriers.

The viability of this strategy is based on the analysis of sector (section 0), which says that demand for rehabilitation/remodeling is increasing, thus allowing capture a time frame of 4 years to achieve the objectives described.

8. PLAN DETAILS AND PROCESSES (ACTION)

At this point the action plans will be discussed to develop the new brand based on the 5P's: Product, Price, Place, Promotion and People (service after sales), as means to achieve marketing goals within four years and executed strategy properly. (<http://WWW.PUROMARKETING.COM> s.f.)

8.1 Product

The product concept is somewhat broader than the concept itself, covering items such as packaging, branding, presentation, after-sales service, warranty, instructions, etc. As this point is the product mix, branding, and packaging, in order to establish the lines where you must guide this marketing plan will be discussed.

8.1.1 Product Mix

The product range of this new brand focuses on floors and walls (like the brand Q-tile).

The consistency of the product range will depend on the amplitude (distance between product lines), length (total product names is their mix), and depth (number of variants of each product).

- Amplitude: has three lines; μ -Urbana, μ -Domestic and μ -Commercial.
- Length: This mark will be focused on a single product, the porcelain stoneware.
- Depth: the porcelain stoneware will basically three variants: natural glazed, polished glazed and "*lapatto*".

Table No. 14 the portfolio of the new brand, depending on the lines, the series colors, format, and finishes each one is broken.

Table 14: PORTFOLIO

Lines	Series	Colors	Format	Finished	Total products
μ -Urbana	1	2/Series	60x60 30x60	Natural glazed	4
μ -Domestic	2	4/Series	80x80 60x60	Natural glazed Polished glazed Lapatto	8
μ -Commercial	1	4/Series	80x80	Natural glazed Lapatto	8
	4				60

SOURCE: SELF DEVELOPMENT

8.1.2 Brand

The brand concept is a key element in the strategy to decide to take, since it allows for market positioning, price and quality, and to identify the added value of the product.

The strategy to be carried out is the brand of the retailer, the objective of the Group's turnover increased by opening new customer accounts.

The name of this new brand must register with the Public Authority responsible for the registration and granting of various types of Industrial Property (SPTO¹⁰), covering three main areas, the manufacturer; so that only you can make a product with that brand, the dealer; so they cannot distribute other products with the same brand, and marketing; so they cannot market other products with the same brand.

The name of this new brand is "M μ SA" in the choice of name was taken into account that meant nothing derogatory in another language, and easy to pronounce and remember.

¹⁰ Source: <https://WWW.OPEM.ES>.

This name seeks to classify the product as an inspiration, design and trend. Below image No 2 you can see the logo.

Image 2: LOGO



SOURCE: SELF DEVELOPMENT

8.1.3 Package

The type of package to be used are boxes in which the tiles are deposited. Its functionality is to protect, distribute and report, as instructions on how to install and maintain the product will be described inside the box.

In addition to package, the product will also have packing (plastic film) and pallets, which will protect and distribute the product correctly. In image No. 3 packaging appreciated.

Image 3: PACKAGE



SOURCE: SELF DEVELOPMENT

8.2 Prices

With the average annual expenditure per household, in reforms, € 7,502 (Habitissimo), quality/price will be at a medium-high segment between 32- 45 euro's per m², marked on the RRP (suggested retail price) reaching an average of 38 € / m².

Given that, according to the survey Habitissimo, reforms are made at a frequency of every 3.6 years, these customers should expect from these high performance products in quality according to price.

Note that the target audience and the end consumer, who is directing with this new brand, are the same as the brand Q-tile mentioned in section 3.8.

8.3 Place

Place is defined as a location where the product is sold, ie, the means that will be used to reach the end customer. So at this point the distribution channel to be followed will be described.

The distribution channel is classified as a long channel where the following figures are: Manufacturer (Suppliers), Wholesaler (Q- Company Group), Retail (strings rehabilitation/reforms) and the final consumer.

The distribution channel is classified as a long channel where the following figures are: Manufacturer (suppliers), Wholesaler (Q-Company Group), Retail (strings rehabilitation/reforms) and finally the consumer.

8.3.1 Suppliers

In the selection of the supplier company will consider different possibilities, depending on the type of threat and cost counteract want responsiveness that decision. Specifically, the options described below are aimed to reduce the threat of import restrictions (anti-dumping rate).

In case of non-EU supplier countries preferential agreements with the EU will be sought, which are based on promoting trade in certain products depending on the

origin of the country. These certificates are FORM-A, EUR-1 and ATR-1¹¹, where the items classified under TARIC¹² 6907; plates and ceramic tiles, unglazed for floor coating, 6908; plates and glazed ceramic tile or glazed for flooring or carpeting, and 6914; other articles of pottery, are the study elements.

Suppliers Options:

- National Suppliers: allow you to reduce transport costs; from the production plant to the warehouses of the Group. In addition, the company located in the region of the cluster of ceramics, has the ability to offer brand new prestige and quality recognized in the tile industry. Another fact that makes this option even more attractive is that the company knows the manufacturers, the way they work and the quality of the products they make, allowing you to further reduce risks and costs.
- Intra- suppliers: in this case, being members of the European Union, the advance payment of VAT would be saved, but transport costs are higher and the relative ease of establishing business relationships with suppliers is lost.
- Non-EU Suppliers: This option will only be taken into account if the products are not in the national or intra territory or if they were obtained in much more competitive trading conditions without compromising quality standards.

Selection process depending on the type of suppliers:

1. National suppliers

As domestic suppliers, the process is easier because there is an understanding of the various manufacturers that operate in the Spanish territory. To select national provider prospective candidates taking into account the list of manufacturers ASCER be listed, then commercial appointments are concluded, preferably in provider offices. In these quotations both parties, such as production capacity, product quality, volume discounts, and price, among others, establish the various requirements.

After attending all appointments, data from each manufacturer are bought and compared to select the most competitive for the project.

¹¹ Annex No. 1: definition of the types of certificates, countries that possess and instructions for proper operation.

¹² The TARIC or Rate Integrated Community is an instrument whose purpose is to determine which EC customs law should apply to imports and exports. It was created to meet the demands of foreign trade tariff, and in turn provide complete information to traders of foreign trade on the various measures that are subject goods in international trade. <http://WWW.CAMARAZARAGOZA.COM>, 2014.

2. Intra Suppliers

A. Selection of the country:

Undoubtedly, the first option would be Italy country of high prestige in the global tile industry, which has, like Spain, a cluster of ceramic brand new trends and product designs. To choose a manufacturer in this country is recommended to attend Cersaie fair, which is held every year, and reveals in one place all the best industrial park tile industry in that country.

B. Establishing relationships:

As is already mentioned you should ideally go to the fair in Bologna the tile industry, to get to know the vendors. Once you have chosen the suitable provider, an appointment at their offices is planned for the various requirements set by both parties, the product quality is evaluated, prices, discounts (rebates), production capacity, etc.

3. Extra-suppliers

A. Selection of the country:

The most important aspects of choosing a non-EU country could be:

- Geographic position allows you to reduce transport costs.
- Raw material for the manufacture of pottery; clayey raw materials and decorative materials.
- Lower labor cost to EU work.
- Agreements with U.E.

In this vein, Algeria emerges as a very strong candidate, since it has a good industry tile industry and has a preferential agreement signed in 2002, in which he sets a maximum period of suspension tariff of 12, reached a tariff of 0% in 2017.

Table 15: TARIFF CHANGES

TARIFF ITEM	GENERAL TARIFF	2010	2011	2012	2013	2014	2015	2016	2017
6907	30%	18%	15%	12%	9%	6%	3%	2%	0%
6908	30%	18%	15%	12%	9%	6%	3%	2%	0%
6914	30%	18%	15%	12%	9%	6%	3%	2%	0%

(ICEX, TILE MARKET IN ALGERIA 2011)

B. Establishment of Foreign:

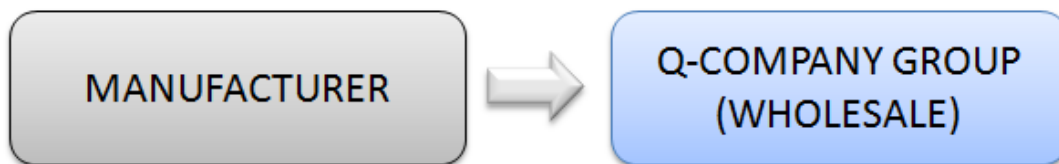
To establish relationships in the first place you should go to trade fairs in the tile industry in these countries, in this case in Algeria.

- Fair Batimatec: an international level on an annual basis (6 to 10 May), and specializes in the construction and public works.
- Fair Foire Internationale d'Alger (FIA) internationally on an annual basis (1 to June 6), and multi-sectoral.
- International Exhibition of Travaux Poblques (SITP) internationally, with annual frequency (November), and specializes in construction and real estate.

Second, once you have come to the fair and a list compiled of potential suppliers, is evaluated (by appointment at their offices) each option based on product quality, production capacity of these enterprises, commercial terms and product presentation.

Chosen the ideal provider is specified order, payment method, and responsibilities of risk, insurance and costs of the goods (Incoterm's¹³), since it leaves the manufacturing warehouse until it reaches the stores of the Group.

Image 4: DISTRIBUTION CHANNEL (SUPPLIERS)



SOURCE: SELF DEVELOPMENT

Election:

Having considered the various options in this marketing plan, we will choose the option of domestic suppliers. This option is supported by the fact that working with a local provider can reduce costs, makes better trading conditions, improves monitoring of the

¹³ Incoterm's: term that reflects the standards of voluntary acceptance by both parties; buyer and seller, on the terms of delivery of the goods / products. Their role is to clarify the costs of international business transactions, defining the responsibilities of risk, insurance and freight (Annex No. 2 (<http://WWW.ICEX.ES/LOSINCOTERMS/2014>)).

supply chain and provides a good brand reputation. Following is a list of possible candidates is shown in Table No. 16.

Table 16: PREFERRED SUPPLIER'S LIST

Supplier / Manufacturer	Country	Province	Population	Address	Zip code	Phone
Keraben Group S.A.	ESP	Castellón	Nules	Ctra./Valencia-Barcelona Km 44,300	12520	(+34) 964659500
Apavisa Porcelanico S.L	ESP	Castellón	Sant Joan de Moro	Crta./ Castellón-San Joan de Moro km. 0,75	12130	(+34) 964701120
Porcelanite S.L	ESP	Castellón	Alcora	Camino de Foyes Ferraes	12110	(+34) 964361918
Grepania S.L.	ESP	Castellón	Alcora	CV 16, Km. 2, 200	12080	(+34) 964344001
Pamesa Cerámica S.A	ESP	Castellón	Almazora	Camino Alcora 8	12550	(+34) 964507500

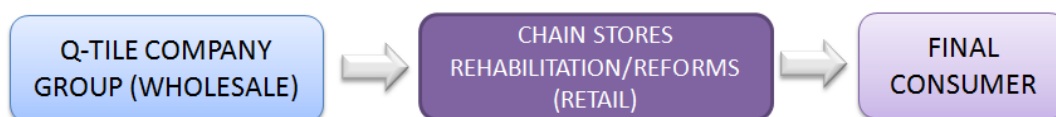
(PORCELANATO 2014)

In the event that, the company wants to diversify the risk of suppliers they will make decisions based on the previously detailed options.

8.3.2 Distribution Channel (target audience)

Like the brand Q-tile, being a group that sells wholesale distribution channel is the retail, chain stores comprised rehabilitation /reforms (target audience).

Image 5: RETAIL CHANNEL



SOURCE: SELF DEVELOPMENT

8.4 Promotion

Within the promotion point detailing the techniques used to inform and communicate to the customer for the products, they will be based on a personal promotion and merchandising that is carried out.

8.4.1 Personal Promotion

Personal promotion will divide the work carried out by the representative of the area and the promotion department, in order to inform the customer of the product, price and benefits, in order to get product display in their establishments. The functions of each of these entities are described:

Area Representative (staff): must open new customer accounts, for which you must inform them about the brand, product and business conditions, including the price and discounts. The rate fixed price suggested retail, which oscillate around 38 € per m², which includes pallet and plastic film protection outdoors. In commercial terms a discount of 50% for the retail channel, plus 10% for orders of complete pallets, plus an additional 3% discount for early payment is established. The payment period is fixed at 60 days, according to Law 3/2004 on Measures to Combat Late payment in commercial transactions (WWW.CREDITOYCAUCION.ES , FIGHTING MEASURES OF DELINQUENCY 2014), so this 3% be given to all customers who wish to pay by within 30 days of the due date.

Once the client informed of this and accepted the conditions, proceed to the negotiation of space within the store where the product is displayed. Culminated all these processes of negotiation and information, the representative shall inform the company of the data needed to open the corresponding customer record in the system.

The data required for opening such clients are:

- Company Name
- NIF
- Address
- Phones
- Fax
- Staff Contact
- E-mails

At the time that the new customer profile is created, the company will send its data to insurance agencies to assess the risk and determine whether the opening of a policy is possible. Otherwise the financial area will determine the internal financial risk for these clients taking into account the sales projections provided by the sales team. Subsequently coordinates the Promotion Department with staff- zone a tour, in order to install the agreed merchandising with this client.

8.4.2 Merchandising

The brand M μ SA has the following merchandising instruments:

- Catalog: with this tool you can observe pictures and setting for each type of product, with a description of each, and will aim to provide not only an advertising tool for the brand and its products, but a script Information that serves the representatives to submit the online customers.
- Exhibitors: is achieved with them exhibit a physical sample of the product in the store, facilitating decision making of customers.
- Website: here you can find the catalogs in digital format, photos of products, environments and product description as well as the necessary information from the company.

8.5 People

This last section is included within the 4P's original, because it is important to detail the activities to be carried out after sales. As a means to ensure the complete satisfaction of the client, seeking to increase the chances of a possible repurchase, since according to Philip Kotler: *"get a new customer is between 5 to 7 times more expensive than retaining the old."*

The after-sales service will be constituted by the promotion department and representative of each area will come every three months to establish customers (retail chains rehabilitation/reform), to inform them about new offers and product launches. Furthermore, the purpose of these visits will be to manage and resolve potential product failures and demands that these possess with purpose to achieve good customer satisfaction and enhance the possibilities of redemption.

9. SALES FORCE

Sales force: it is considered one of the most important elements of marketing level, because through this direct interaction between the company and the customer gets (<http://WWW.PUROMARKETING.COM> s.f.)

The objective of the sales force is to introduce the brand "MμSA" to market. To achieve this, the strategy of sales force will be based in multi-brand representatives; who visit customers separately.

Being territorial structure of the sales force, ie, each representative is assigned an exclusive territory (regions; Autonomous Communities). So there is a clear definition of the duties of vendors, placing on them the responsibility to increase sales, receiving a commission as an incentive. These representatives will not have a fixed salary, since it does not form part of the staff of the company, ie are external representatives (outsourcing).

With this type of structure the company will not have allowances and travel costs, as these representatives run with these expenses. Moreover, as they (representatives) are resident of those zones (Autonomous Communities) will be allows to increase the frequency of customer view.

Geographic areas to be covered during the 4 years are the highest rate of demand for rehabilitation/reform (Habittisimo), which are: Valencia, Cataluña, Madrid, Andalucía, Balearic Islands and Galicia.

- Incentives for sales force:

In the first year a fixed commission of 6% of total sales will be paid, and from the second year will launch the plan variable commissions based on sales ratios. Table No. 17 reflected the fee plan variables.

Table 17: VARIABLE FEES PLAN

COMMISSION %	SALES	COMMISSION €
4%	From 0 to 25,000 €	From 0 to 1,000 €
4,5%	From 25,001 to 40,000 €	From 1,125 to 1,800 €
5%	From 40,001 to 50,000 €	From 2,000 to 2,500 €
5,5%	From 50,001 to 60,000 €	From 2,750 to 3,300 €
6%	More than 60,001 €	More than 4,200 €

SOURCE: SELF DEVELOPMENT

As support and supervision of the work of (external) representative, will have a promoter of the company that will help him opening and maintaining the market. Later, after opening the new client, there will be a support of the promoters and external representative quarterly to visit and report on the status of the products displayed. With that what is sought is to inform the company of any downside to occur so that they can take appropriate action to improve sales and satisfy customers better decisions.

- The costs of the developer/promoter are:
 - o Fixed salary.
 - o Overtime hours.
 - o Travel expenses, accommodation and daily allowances.

10. RESOURCES NEEDED

The resources required to carry out this marketing plan will be based on all costs that must be incurred to implement action and details of the plan discussed points 8 and 9.

- Suppliers:

National Provider Costs will focus on the purchase price of the product, which will include the cost of boxes, pallet and plastic film. Table No. 18 forecast cost provider appreciated.

Table 18: SUPPLIER COST

Category	€/m ²	Products	Forecast by Product	Stock forecast	Forecast costs
Provider	7€	60	2,000 m ²	120,000 m ²	840,000 €

SOURCE: SELF DEVELOPMENT

The order in the first instance will be 120,000 m², as existing stocks are gradually reduced making other orders will go. To have an appreciation of restocking (m²) that could be carried out (assuming the stock has to be 120,000 m² for 4 years) table No. 19, where the number of stocks is detailed is made sold based on the selling price (discount, 50% and 10%) and the estimated sales for each year.

Table 19: ESTIMATED STOCKS REPLACEMENTS

	YEAR 2014	YEAR 2015	YEAR 2016	YEAR 2017
SALE PRICE	15.00 €	15.00 €	15.00 €	15.00 €
SALES	400,000.00 €	650,000.00 €	900,000.00 €	1,150,000.00 €
m² SOLD	26667	43333	60000	76667
STOCKS m²	93333	76667	60000	43333
RESTOCKING m²	26667	43333	60000	76667

SOURCE: SELF DEVELOPMENT

It should be mentioned that inventory replenishment is scheduled for the end of each year (December 31), so the cost for each year is distributed as follows:

- Year 2014 or € 840,000.00
 - Year 2015 or € 164,705.88
 - Year 2016 or € 267,467.06
 - Year 2017 or € 370,588.24
 - Year 2018 or € 473,529.41
 -
- Brand:

Costs to consider the brand are mainly the record, which is decomposed into the cost of the application, the cost of the areas you want to cover with that brand (manufacturing, distribution and marketing) and finally the cost of registration as such. The breakdown of these costs is shown in Table No. 20.

Table 20: BRAND COST

Category	Breakdown	Cost
BRAND	Application for registration	900 €
	Additional area	400 €
	Registration	1,200 €

SOURCE: SELF DEVELOPMENT

The additional area refers to the inclusion of a new area beyond the three previously described; manufacturing, distribution and marketing, which are basic in the registration of a mark. So the total cost will be € 2,100.

- Sales-Staff:

At this point fixed expenses are detailed as incurred promotion (total company have 3 developers, one for every two zones), will the support of the representatives (as already mentioned in point 9, sales force), which is reflected in the No. 21 chart.

Table 21: SALES-STAFF COSTS

Category	Employee charged	Gross salary	Net earnings	Overtime € / h	Social Security paid by the company	Social Security paid worker	Income Tax
Staff	Promoter	1,460 €	1,150 €	4,16 €	559,24 €	106,96 €	204,40 €

SOURCE: SELF DEVELOPMENT

Regarding allowances, travel and accommodation promoters performed an average forecast of the cost, which is shown in Table No. 22.

Table 22: ESTIMATED AVERAGES: ALLOWANCES / TRAVEL / ACCOMMODATIONS

Average fuel € / Km	Average meal €/day	Average accommodation €/day
0.17 €	14.91 €	24.10 €

SOURCE: SELF DEVELOPMENT

With regard to external representatives, they send bills than they should be based on what they sold, ie be accounted for as freelancers. As mentioned in point 9 the first year (2014) the representatives will get 6% of total sales to grab, and from 2015 will be launched plans variable commission based on sales ratios to grab (Table 17: VARIABLE FEES).

In order to have an estimate of the costs of representative performs the following table, for it is carried out a forecast of annual sales of 4 years.

Table 23 ESTIMATED EXTERNAL REPRESENTATIVES COSTS (outsourcing).

A. C	2014				2015				2016				2017			
	SALES	WT. %	COM. %	COM. €	SALES	WT. %	COM. %	COM. €	SALES	WT. %	COM. %	COM. €	SALES	WT. %	COM. %	COM. €
VALENCIA	64,000.00 €	16%		3,840.00 €	104,000.00 €	16%	5%	5,200.00 €	144,000.00 €	16%	6%	8,640.00 €	184,000.00 €	16%	6%	11,040.00 €
MADRID	88,000.00 €	22%		5,280.00 €	143,000.00 €	22%	6%	8,580.00 €	198,000.00 €	22%	6%	11,880.00 €	253,000.00 €	22%	6%	15,180.00 €
CATALUÑA	72,000.00 €	18%		4,320.00 €	117,000.00 €	18%	6%	7,020.00 €	162,000.00 €	18%	6%	9,720.00 €	207,000.00 €	18%	6%	12,420.00 €
ANDALUCIA	68,000.00 €	17%	6%	4,080.00 €	110,500.00 €	17%	6%	6,630.00 €	153,000.00 €	17%	6%	9,180.00 €	195,500.00 €	17%	6%	11,730.00 €
GALICIA	60,000.00 €	15%		3,600.00 €	97,500.00 €	15%	5%	4,875.00 €	135,000.00 €	15%	6%	8,100.00 €	172,500.00 €	15%	6%	10,350.00 €
I. BALEARES	48,000.00 €	12%		2,880.00 €	78,000.00 €	12%	5%	3,900.00 €	108,000.00 €	12%	6%	6,480.00 €	138,000.00 €	12%	6%	8,280.00 €
	400,000.00 €	100%		24,000.00 €	650,000.00 €	100%		36,205.00 €	900,000.00 €	100%		54,000.00 €	1,150,000.00 €	100%		69,000.00 €

SOURCE: SELF DEVELOPMENT

- Merchandising:

As merchandising costs are: catalog, website, and exhibitors, which are described in Table No. 24.

Table 24: MERCHANDISING COSTS

Category	Description	€/Und.	Forecast Year 1
Merchandising	Catalogs	15 €	200
	Website	3,000 €	-
	Exhibitor	80 €	120

SOURCE: SELF DEVELOPMENT

Forecasts for the catalogs are obtained based on the number of clients you want to open the year, specifically in this case 120 clients.

- Renting Vehicle:

The Group will need additional 3 vehicles to perform the necessary movements of each promoter. For this performs a leasing contract, as shown in Table No. 25.

Table 25: VEHICLE COSTS

Category	Model	Cost/Und.	Total
Vehicle	Van Seat Alhambra	420 €	1,260 €

SOURCE: SELF DEVELOPMENT

In this way the company will not have to take into account the depreciation and maintenance of the vehicle.

- Computers Systems:

Additionally must be considered the systems necessary for the proper management of the brand (fixed cost, not dependent on the activity of brand), and updates/solutions in problems incurred, which are detailed below in Table No. 26.

Table 26: COMPUTER SYSTEM COSTS

Category	Annual maintenance	Upgrades and Troubleshooting
Computer System	2,000€	40 €/ h

SOURCE: SELF DEVELOPMENT

To design a new process for issuing invoices, orders and performs with the brand logo MμSA a forecast of 6 hours, which have a cost of 40 €/h.

- Personal marketing and market research techniques:

It should have a staff of market research techniques to study the market constantly, thus the product will innovate according to the demands of demand and market trends, avoiding product obsolescence and posture reactive to changes in the environment. These personnel should work with a staff of marketing, with the aim of creating a synergy between the two sides to better fit the market and sales force. The breakdown of the fixed costs (not dependent on the activity of the brand) that must be made is shown in Table No. 27.

Table 27: MARKETING AND MARKET RESEARCH TECHNIQUES STAFF COSTS

Category	Breakdown	Gross salary	Net earnings	Social Security paid by the company	Social Security paid worker	Income Tax
Staff	Market research techniques	1,550 €	1,219.52 €	593.85 €	113.48 €	217 €
	Marketing	1,550 €	1,219.52 €	593.83 €	113.48 €	217 €

SOURCE: SELF DEVELOPMENT

Operating leverage for 4 years:










Resources related to technology, staff (departments: administrative, logistical, management representatives, marketing, telemarketing & sales, technical sales, storage, etc.) and machinery, will be the result of operating leverage will assume Q -tile brand, as they are fixed costs of the company and not directly dependent on the activity. Since, the new brand originates an increase in variable costs and other expenses related to the growth of the company but not fixed costs.

So when carrying out the budget with the anticipated costs that must be taken into account, as it reduces the costs of the total, although that operating leverage only the first will occur four years until the mark is seated in the domestic market. As the operating leverage the result of the division between the growth rate of profit and the rate of sales growth.

11. TOTAL COST AND FEASIBILITY

At this point, the viability of this marketing plan taking into account the cost of the previously described economic resources shall be evaluated. For them it will hold a sales forecast to 4 years and a budget with estimated costs for these years, these forecasts will be compared with the reserves of the company in order to assess the viability of the investment and the possibility of self-financing.

Table 28: ESTIMATED SALES

	YEAR 2014	% SALES	YEAR 2015	% SALES	YEAR 2016	% SALES	YEAR 2017
Q-tile	1,057,145.78 €	0.0% 	1,057,145.78 €	0.0% 	1,057,145.78 €	0.0% 	1,057,145.78 €
MμSA	400,000.00 €	38.5% 	650,000.00 €	27.8% 	900,000.00 €	21.7% 	1,150,000.00 €
TOTAL SALES	1,457,145.78 €	14.6% 	1,707,145.78 €	13% 	1,957,145.78 €	11% 	2,207,145.78 €

SOURCE: SELF DEVELOPMENT

In Table No. 29 are detailed estimations of the marketing plan for the 4 years budge

Table 29: ESTIMATED MARKETING BUDGET

CATEGORIES ^{14*}	YEAR 1	YEAR 2	YEAR 3	YEAR 4	IMPORT
SUPPLIER	840,000 €	164,706 €	267,647 €	370,588 €	1,642,941 €
BRAND	2,100 €	-	-	-	2,100 €
SALES FORCE	41,520 €	53,725 €	71,520 €	86,520 €	253,285 €
Staff of sales (promoter)	17,520 €	17,520 €	17,520 €	17,520 €	70,080 €
External representative	24,000 €	36,205 €	54,000 €	69,000 €	183,205 €
MERCHANDISING	15,600 €	12,600 €	12,600 €	12,600 €	53,400 €
Website	3,000 €	-	-	-	3,000 €
Catalogs	3,000 €	3,000 €	3,000 €	3,000 €	12,000 €
Exhibitors	9,600 €	9,600 €	9,600 €	9,600 €	38,400 €
INSTRUMENTS	1,500 €	1,260 €	1,260 €	1,260 €	5,280 €
Vehicle	1,260 €	1,260 €	1,260 €	1,260 €	5,040 €
Computer systems*	-	-	-	-	8,000 €

¹⁴ * Fixed Costs

Update computer system	240 €	-	-	-	240 €
FOR MONITORING PERSONAL BRAND	-	-	-	-	-
Staff Marketing*	-	-	-	-	74,400 €
Staff Market Research Techniques*	-	-	-	-	74,400 €
ESTIMATED COSTS	900,720 €	232,291 €	353,027 €	470,968 €	1,957,006 €

SOURCE: SELF DEVELOPMENT

Considering that the cost of the computer system, marketing staff and technical market research are fixed costs of the company (not dependent on the activity of this new brand), so that will be part of the operating leverage assumed by the Q-tile brand and are not included in the sum of budget expenditures, the total budget is € 1,957,006. Table No. 30 budget expenditure per year compared with the forecast of annual sales, and the potential gains each year.

Table 30: COMPARATIVE COSTS: ANNUAL ESTIMATED BUDGET AND SALES ESTIMATED

	YEAR 1	YEAR 2	YEAR 3	YEAR 4
Estimated Budget	900,720 €	232,290 €	353,027 €	470,968 €
Estimated Sales	400,000 €	650,000 €	900,000 €	1,150,000 €
Potential Gains	- 500,720 €	417,709 €	546,972 €	679,031 €

SOURCE: SELF DEVELOPMENT

This table shows that the first year losses of € 500,720 which are normal in an investment, but from the second year the results will begin to be positive but not as such gains will be obtained, since one of the economic objectives of marketing is based on recovering the initial investment. This investment will be reimbursed from the second year with a value of € 300,000 on total revenue (€ 417,709); in the third year will be spent € 300,000 more total profit (€ 546,972) and the fourth year the final amount will be paid in the amount of € 300,720.

Regarding funding, the group has a reservation € 989,352¹⁵ which gives the possibility of afford the investment of the marketing plan without seeking bank loans. Made quite important, considering the difficulty of getting credit in the Spanish territory.

¹⁵ WWW.Q-COMPANYGROUP.COM, 2014.

Based on these estimates and sales, it can be inferred that the investment (the introduction of a new brand) is feasible and even favorable to increase to double sales in the domestic market, reducing tariff barriers (with the promotion supplier relationship), and increase the number of customers within 4 years.

12. MONITORING

The monitoring of this plan will be based on the 5 main pillars to consider, which are: supplier, product, consumers, investment and synergy.

12.1 Suppliers

A database will be developed using the ACCES system, which will take place main template where the following basic data:

- Company Name
- NIF
- Address / Country
- Mobile
- Fax
- Staff Contact
- E-mails

Starting from this template a series of templates will be interrelated, with the main, in function of variables like: type of product, tariff treatment, purchase volume, delivery orders, price, quality and discount. In this manner shall keep records orders placed, the volume of goods, the type of product and the costs involved.

This system not only will keep better track of the goods and the costs, but rather that will streamline processes merchandise order, lead a better supplier management and control stock of materials.

12.2 Customers

To carry out monitoring client computing CRM tool that allows the management of customer relationships (Customer Relationship Management) helping to identify, attract and retain the customers you want to reach will be used. Just like knowing the history of any customer, the last time that the representative contacted him, products that has acquired, discounts that have been granted and the risk it has.

To develop the CMR customers are classified by Autonomous Community, introducing all potential customers in the area, and identifying which have been visited and which ones have been incorporated into the customer base. This way may know what

percentage of potential customers has managed to get with the new brand, and also will allow valuing the performance of the company representatives.

12.3 Product

To know the market trends and to adapt the product to the requirements of the application, the Group has a market research staff that will be responsible for preparing reports (helping to support associations cluster tile). This way will be able ensure that the value and trends of the product are appropriate.

12.4 Investment

Quarterly representatives and promoters will visit customers in their community for a report of record sales, so the company may have a notion of how to evolve the sales of products and see if the investment is profitable with that client and viable.

A part of the visits, the company may develop a database using the ACCESS program. Where a main sheet (tab) will be developed with: customer's data, the area, the representative's name, company's promoter and the product sold. From this tab, can be build relationships with others in terms like the timing of payments, the risk held by each and the sales achieved by each product.

With this system the company can keep track of which is the area that produces more benefits and what not, that customer is profitable and what is not (will not be expected to the visits), and what is the product with the highest range profitability.

12.5 Synergy

The synergy of this new brand with the company is the most important follow-up must be taken into account in the marketing plan. The staff of the company should make this synergy.

For this synergy is achieved will be held quarterly meetings, where each department will prepare the necessary reports for the relevant decision-making. Which are:

- Promotion and after-sales service: take the report of record sales, requirements and potential customer complaints.
- Market Research Techniques: contribute to an analysis of the sector, potential product innovations, new suppliers, geographic areas, among others.

- Marketing: planted possible improvements or solutions to different situations (planted by the Promotion Department and After-sales) with the help of the analysis carried out by the Department of Market Research Techniques.

Once raised possible improvements and solutions, decisions (appropriate to each situation) will be taken by the three departments and senior management of the Group (Presidents, General Head, Managing Director and Commercial Director).

13. CONCLUSIONS

To sum up this marketing plan can be said that the investment forecasts of a new brand is reliable, allowing the Group to increase its market share and develop new competitive strategies from it.

Recommending as competitive strategies for continued growth, increasing profitability and developing defensible competitive advantages over time against the competition, the following strategies:

Internationalization strategy:

As it was noted during the analysis of this marketing plan, the development of the new brand (M μ SA) should be expanded (once seated in the domestic market) internationally, because, like the problems identified in the Spanish territory; where only makes it to market share (highly competitive) with a single brand, happens in international territory where the Group operates also.

The main countries, in Europe, where should be directed the new brand (M μ SA) are those where profitability tile industry and construction is higher such as: France, Germany, and Italy. Besides these countries should take into account countries like Portugal, Ireland and Poland, as in Table 1: GLOBAL ACTIVITY PERSPECTIVE (CHANGE IN %) shows that with Spain these possess a large increase in the construction sector, which will benefit the tile industry.

With respect to non-EU members, the Group must consider the emerging economies such as: Brazil, Russia, India, Mexico, among others, since they are the source of global growth and allow take advantage of the opportunity detailed in SWOT analysis (Section 4): the sustained growth in developing countries have a potential market.

Diversification strategy related products:

In addition it should be noted that for this group continues to grow and transform their weaknesses into strengths should diversify the portfolio of the Q-Tile and M μ SA brands, with product diversification strategy by introducing related products such as; mosaics, faucets and toilets. This way can address the same distribution channel and

target audience, leveraging the know-how of the business and the opportunities presented by the sector, acquiring a proactive stance.

Although these findings will be discussed later, once the brand M μ SA be seated in the domestic market and goals/objectives of the group have been achieved, by the deadline.

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15. ANNEX

ANNEX 1¹⁶:

FORM-A: source document required by the EU on imports from the application of the Generalized System of Preferences (GSP). This certificate allows importing into the European Community of products originating in the countries of the Generalized System of Preferences (GSP), provided they have been transported directly to the European Community. This certificate must be issued by the customs authorities or good government of the exporting country.

Movement certificate **EUR-1**, documentary evidence of preferential origin issued by the European Union and those countries with which it has a preferential agreement.

- Morocco, Algeria, Tunisia, Egypt, Jordan, Syria, Lebanon, Israel, Serbia, Bosnia, Macedonia and Croatia
- EFTA countries: Norway, Switzerland, Liechtenstein, Iceland
- ACP countries (Africa, Caribbean and Pacific), which have certain preferences under the Lomé agreement, since most of them, are former colonies belonging to a member of the EU.
- Overseas Territories (OCT): New Caledonia, French Southern and Antarctic Territories, Wallis and Futuna.

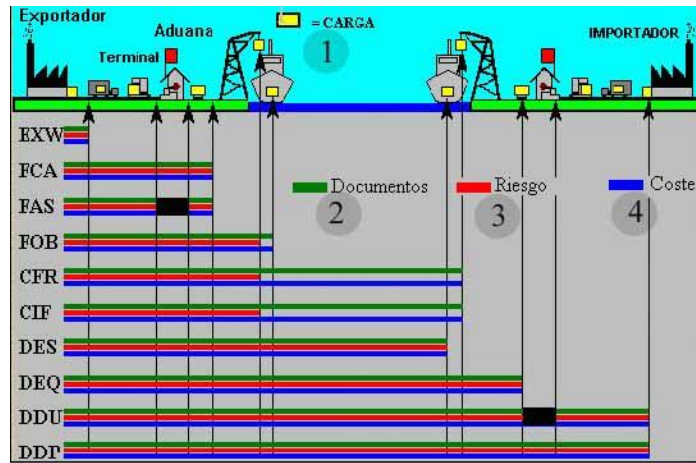
Movement certificate **ATR-1**, documentary evidence issued by the European Union for the reciprocal trade with Turkey.

Instructions for proper operation: certificate of origin labeling of ceramic products, logistics, payment and transfer of funds abroad.

¹⁶ (CERTIFICATE 2014)

ANNEX 2¹²:

Image 6: INCOTERMS



(<http://WWW.BUSINESSCOL.COM> 2014)