

CHAPTER 6: MARKETING PLAN

Use a good Marketing Plan to guide the strategic and tactical direction of your business

THE 10 ELEMENTS OF A GOOD MARKETING PLAN

A good Marketing Plan includes these 10 elements:

1. Describe Your Business
2. Conduct a Situation Analysis
3. Define Your Customer
4. Strategize Your Market Entry
5. Forecast your Sales or Demand Measurement
6. Define Your Marketing Budget
7. Integrate Your Marketing Communication
8. Identify Sales Channels
9. Track Marketing Activities
10. Evaluate Your Progress

1. DESCRIBE YOUR BUSINESS

- Small business owners often describe themselves by their product or services; however, business must be viewed as a customer-satisfying process, not goods-producing.
- Describe your business in detail and clearly identify goals and objectives.
- Answer the following questions:
 - What is your product or service?
 - How will your product benefit the customer?
 - What is different about the product your business is offering?
 - Is it a new business, a takeover, or an expansion?
 - Why will your business be profitable?
 - What are the growth opportunities?
 - What is your geographic marketing area?

2. CONDUCT A SITUATION ANALYSIS

- A situation analysis details the context for your marketing efforts by considering internal and external factors that could influence your marketing strategy.
- This section of the plan could include a SWOT analysis to summarize your Strengths, Weaknesses, Opportunities and Threats.
 - **Strengths:** assets or a resources that can be used to improve your business' competitive position.
 - **Weaknesses:** resources or capabilities that may cause your business to have a less competitive position.
 - **Opportunities:** situations or conditions arising from a business' strengths, or set of positive externalities.
 - **Threats:** problems that focus on your weaknesses and which can create a potentially negative situation.



3. DEFINE YOUR CUSTOMERS

Defining your market does not need to be a difficult process. You do not need a huge market base, but you need to be realistic and your market needs to be well-defined.

- Who are your competitors, and who do they target?
- Who is your perfect customer and client base?
- What is your current customer base (in terms of age, sex, income, and geographic location)?
- What habits do your customers and potential customers share? Where do they shop, what do they read, watch, listen to?
- What prospective customers are you currently not reaching? How can you reach them?
- What qualities do your customers value most about your product or service? Do they value selection, convenience, service, reliability, availability, or affordability?
- What qualities about your product or service do you need to improve? How can they be adjusted to serve your customers better?

4. STRATEGIZE YOUR MARKET ENTRY

Once you have identified what is unique about your business and who your target buyers are, focus on your competition:

- Identify your direct competitors and learn what they do.
- Sharpen your decisions about the best business category and market segment in which to compete.

5. FORECAST SALES OR DEMAND MEASUREMENT

- Sales forecasting provides the basis for comparison over a period of time.
- Market demand is the total volume that could be bought by a defined customer group in, a defined geographical area, in a defined time period, and under a defined marketing program.
- You should:
 - Correctly identify and estimate current demand by considering total market potential, market share, and expected sales.
 - Forecast future demand by considering past sales patterns, consumer trends, and overall market projections.

6. DEFINE YOUR MARKETING BUDGET

(SLIDE 1 OF 2)

- Marketing budgets, especially in small and mid-sized businesses, are often arbitrarily set as either x% of planned revenue or y% over the prior year's marketing budget.
- Use targeted budgeting to more intelligently set your budget based on company objectives.

6. DEFINE YOUR MARKETING BUDGET

(SLIDE 2 OF 2)

Answer the following questions:

- What previous marketing methods have been most effective?
- What are your costs compared to sales?
- What is your cost per customer?
- What marketing methods will you use to attract new customers?
- What percentage of profits can you allocate to your marketing campaign?
- What marketing tools (i.e. - newspapers, magazines, Internet, direct mail, telemarketing, event sponsorships) can you implement within your budget?
- What methods are you using to test your marketing ideas?
- What methods are you using to measure results of your marketing campaign?

7. INTEGRATE YOUR MARKETING COMMUNICATION

- Integrate marketing communication to consolidate marketing tools, approaches, and resources within a company to maximize impact and gain edge over the competition.
- Build on a "Marketing Mix" and include the following:
 - 4P's: Product, Price, Promotion, and Place
 - Marketing & Advertising
 - Public Relations

The marketing mix: set of marketing tools that the firm uses to pursue its marketing objectives in the target market.

A COLLABORATIVE APPROACH



8. IDENTIFY SALES CHANNELS

- Part of the challenge of marketing is figuring out which distribution method to use for your business.
- Include all relevant distribution channels:
 - **Retail:** Stores selling to final consumer buyers (one store, or a chain of stores).
 - **Wholesale:** An intermediary distribution channel that usually sells to retail stores.
 - **Direct mail:** Generally catalog merchants that sell directly to consumers.
 - **Telemarketing:** Merchants selling directly to consumer buyers at retail via phones.
 - **Cyber-Marketing:** Merchants selling directly to consumer buyers at retail prices, or business-to-business products and services at wholesale prices via computer networks.
 - **Sales force:** Salaried employees of a company or independent commissioned representatives who usually sell products for more than one company.

9. TRACK MARKETING ACTIVITIES

- Tracking helps monitor the effectiveness of each marketing activity and is especially helpful with your overall program evaluation.
- Include procedures for tracking each type of marketing activity you are using.
- Some examples are:
 - **Display advertising:** With traditional consumer publications, tracking can be done through the use of different phone numbers, special offers (specific to that advertisement or publication), or reference to a specific department.
 - **Internet marketing:** Usually, this is easily tracked by monitoring web traffic.
 - **Trade shows:** A trade show's effectiveness can be tracked by collecting the right information at the show and following up on it.
 - **Database:** Before your Marketing Plan is kicked off, make sure you have the database structure in place to record this information.
- The tabulated results and customer information is very valuable information.

10. EVALUATE YOUR PROGRESS

- Identify how you will measure your success and in what ways your objectives have been met. Then, use these indicators to determine the success of your marketing efforts.
- Answer the following questions:
 - Did we reach our goals?
 - Was the marketing campaign successful?
 - Were we able to determine Return on Investment (ROI)?
 - Did our efforts result in conversion? In other words, were we able to convert an inquirer to a visitor, a visitor to a customer?
 - Can we utilize our database to survey, capture additional information, or establish a more comprehensive customer relationship program?

KEY TAKEAWAYS FROM THIS CHAPTER

- Every business has marketing challenges and opportunities.
- A Marketing Plan:
 - Allows you to analyze your current situation, describe your business, and define your customer base.
 - Helps you to strategize your market entry, identify your sales channels, and integrate your marketing communications for maximum efficiency.
 - Gives you a means of evaluating your progress.