



## SEVEN STEPS TO A KILLER MARKETING PLAN

### **Plan your work and work your plan.**

A sound marketing plan is key to the success of your business. You're in business to serve a customer need. If you're not sensitive to customers, don't know who your customers are, how to reach them and, most of all, what will convince them to buy your product or service, get help.

And a marketing plan is the first place to start.

Effective marketing, planning and promotion begin with current information about the marketplace.

- Talk to customers
- Study the advertising of other businesses in your community
- Consult with any relevant industry associations
- Visit your local library, the internet and other resources

### **Marketing Plan Objectives**

#### **Objective 1: Define your business**

- What is your product or service
- What is your geographic marketing area - local, regional or national
- Who is your competition
- How do you differ from the competition - what makes you special
- What is your price and where does it rank you
- What are your competition's promotion methods
- What are your promotion methods
- What are your distribution methods or what is your business location

#### **Objective 2: Define your customers**

- What is your current customer base
- How do your customers learn about your product or service
- What patterns or habits do your customers and potential customers share
- What qualities do your customers value most about your product or service
- What qualities do your customers like least about your product or service
- Who and where are the prospective customers you aren't currently reaching

#### **Objective 3: Define your plan and budget**

- What are the previous marketing methods you have used to communicate to your customers



- Which methods have been most effective
- What are your costs compared to total sales
- What is your cost per customer
- What are some future methods you can use to attract new customers
- What is the percentage of profits you can allocate to your marketing campaign
- Determine and prioritize which marketing tools you can implement within your budget
  - Newspaper, magazine or Yellow Pages advertising
  - Radio or television advertising
  - Direct mail
  - Telemarketing
  - Public relations activities such as community involvement, sponsorship
  - Press releases
- What methods can you use to test your individual marketing ideas
- What methods can you use to measure the results of your marketing campaign

## **Objective 4: Define your marketing plan's goals**

- Increase sales
- Raise brand recognition
- Communicate your message
- Create an awareness of your product or service
- Motivate customers toward some action
- Or some other specific goal

Once you compile all the necessary information, write down your plan:

## **Marketing Plan Components**

### **The Executive Summary**

You'll need to write The Executive Summary after the other sections have been written, since it's a summary of their major points.

Some of the key points to cover:

- Introduce your company
  - If your business is already in operation, state how long you've been in business and how long you've been at your current location
  - Describe your business activities
  - Highlight your accomplishments and successes
  - If your business is not yet in operation, describe the experience and training you have that qualifies you to operate this type of business



- Include similar information for business partners or key managers of the company
- Create your mission statement and company objectives
  - Mission statements are relatively abstract
  - Company objectives are more specific
- Introduce your management team
  - Describe the organizational structure of your business
  - List key management. Include copies of their resumes in the supporting documents section.
  - Disclose management salaries and ownership, management assistance and training needs, and supporting professionals
  - List the board of directors.

Close the executive summary with a brief statement of the main marketing objectives and strategies contained in the plan.

## **Current Situation**

The Current Situation section provides information about your location, target market and competitive environment.

- Describe your current or planned business location.
    - If you do not yet have a business location, name areas or properties under consideration and the criteria you will use in selecting a location
- Consider:
- Customer proximity
  - Parking availability
  - Accessibility by public transportation
  - Employee availability
  - Inventory storage and movement
  - Compliance with federal, state and local laws and codes
  - Security
  - Site expansion potential
- List any negative aspects of your location that would affect sales and try to list solutions for such problems
  - Describe any plans for the future expansion of your business
  - Do you intend to move
  - Will you offer additional goods or services as you grow
  - Will you hire employees
  - If your product or service does not require customers to visit a location:
    - Describe how you and your customers will meet or interact
    - Describe how services and products will be exchanged



## Target Market Description

Critical to your success is aiming all your marketing efforts at a target market. Planning your marketing strategy without knowing to whom you're trying to appeal is like planning a party without knowing anything about the people attending.

- Describe the size of your target market
  - Be specific and include statistics about the size of your target market
  - Include information on whether the size of your target marketing is growing, shrinking or staying the same
  - If the size of your target market is changing, explain why
- Describe your target market in the following terms:
  - Characteristics they share
  - Behaviors, habits or hobbies they exhibit
  - Wants and needs they have and how your product fulfills them
- Describe your market's buying habits
  - How do they spend their disposable income
  - When do they buy
  - How much
  - How often

## Competitor and Issues Analysis

The purpose of the Competitor and Issues Analysis section of your marketing plan is to explain in detail the external challenges and opportunities your business may face. Even though preparation of the analysis will take time, it will be worth it. You can benefit in a number of ways.

Benefits of Preparing a Competitor and Issues Analysis

- You'll discover your company's competitive advantage - the reason customers do business with you instead of your competition
- Analyzing current issues and your competitors' offerings may spur ideas for innovative improvements to your product offerings
- You might find that there are some categories of customers whose needs are not being met
- By observing the actions of your competitors, you might learn more about your market
- If your market is saturated with capable competitors, you can avoid starting a business without adequate demand

## Competitor Analysis

What to address in your competitor analysis

- Names of competitors
  - Include information on any that might enter the market during the next year



- Summary of each competitor's:
  - Products and quality level
  - Location
  - Advertising
  - Staff
  - Distribution methods
  - Promotional strategies
  - Customer service
- Your competitors' strengths and weaknesses
  - State how you will capitalize on their weaknesses
  - State how you are going to meet the challenges represented by their strengths
- Your competitors' strategies and objectives
- The strength of the market

### **Ideas for gathering competitive information**

- Internet
  - Competitor web sites
  - Association web sites
  - Key word searches
  - News sources
- Personal visits (if possible)
  - Observe how employees interact with customers
  - What do their premises look like
  - How are their products displayed
  - How are their products priced
- Talk to customers
- Analyze competitor's ads to gain information about their
  - Target audience
  - Market position
  - Product or services features and benefits
  - Prices
- Attend speeches or presentations made by representatives of your competitors
- Trade show displays
- Written sources:
  - General business publications
  - Marketing and advertising publications
  - Local newspapers and business journals
  - Industry and trade association publications
  - Industry research and surveys
  - Computer databases (available at many public libraries)



- Annual reports
- Yellow Pages

## **SWOT**

### Strengths and Weaknesses (Inside Your Company)

Identify internal strengths and weaknesses of your company. Determine which issues are most significant and summarize them in an Issues Statement. Describe each item and how it is to be mitigated or capitalized upon.

### Threats and Opportunities (From Outside)

Threats and opportunities come from a variety of sources including:

- The economic outlook of your market's economy
- Product innovations
- How will changes made to the products of your competitors affect you
- What's happening with products that are "complementary" to yours
- What changes in technology will impact you
- Environmental issues
- Government regulations
- Barriers to market entry

## **Marketing Objectives & Strategies**

Meeting marketing objectives should lead to sales. If they don't, you need to set different marketing objectives.

They should:

- Be clear
- Be measurable, and
- Have a stated time frame for achievement

If you have multiple objectives, make sure they are consistent and not in conflict with each other. Also, be sure all the components of your marketing plan support your objectives. Setting your marketing objectives and finalizing the remaining components of your marketing plan may serve as a reality check. Do you have the resources necessary to accomplish your objectives?

## **Marketing Strategy Using The Four P's**

The marketing strategy section of your plan outlines your game plan to achieve your marketing objectives. It is the heart of your marketing plan.



Marketing strategy can be broken down into four distinct but related categories. We call these categories the Four P's of marketing:

- Product - your product or service
- Price - what you'll charge customers for product or service
- Promotion - how you will promote or create awareness of your product or service
- Place (distribution) - how you will bring your product or service to your customers

The specification of these four categories creates your promotional plan. It usually is a very detailed outline and often is an individual document supporting your marketing plan.

(Learn the details of the Four P's and how to create a promotional plan in "The Four P's of Marketing")

The strategy section of your marketing plan should contain brief summaries for each of the Four P's in your promotional plan.

## **Product**

- Describe your products or services in terms of the features and benefits they offer customers
- Describe what you need to have, or do, to provide your product or service

## **Price**

- List the price of your products and describe your pricing strategy
- List price ranges for product lines rather than a detailed product price list
- Describe any price flexibility or negotiating room, as is common with large purchases such as capital equipment or bulk materials
- Outline any discounts you offer for long-term customers, volume purchases or prompt payment
- Also, include the terms of sale, such as "net due in 30 days," extended payment plans, and whether you accept credit cards

## **Promotion**

The promotion section summarizes the tools or tactics used to accomplish your marketing objectives. It is a summary of your advertising, sales promotion, publicity, and personal selling goals detailed in your Four P's Promotional Plan.

This is where you describe the schedule for when promotion items should be done, who will do them, and how they will be evaluated.

## **Place (Distribution)**

In this section, describe how your products and customers come together.



Describe your sales philosophies and methods.

- Do you employ an aggressive sales method for a large number of quick sales
- Or a relaxed method where the emphasis is on having customers feel comfortable and come back another time even if they don't buy now
- Do you use contract sales people or employees
- Explain your approach to sales issues
- Describe your distribution system

Describe your distribution methods

- Is the exchange of the product made
  - In a store
  - Through the mail
  - Through a direct sales representative
  - What are your production and inventory capacities
  - Are there cyclical fluctuations or seasonal demands for your products
  - Do you sell to individuals or to re-sellers

## **How Much Will it Cost?**

### **Your Marketing Budget**

Estimate the cost of the marketing activities you've described in the marketing plan so you'll have a budget to keep everyone on track over the course of the year

Typical marketing expense categories are:

- Marketing communications
- Market research
- Promotions
- Advertising
- Events
- Public relations.

Because marketing needs and costs vary widely, there are no simple rules for determining what your marketing budget should be. A popular method with small business owners is to allocate a small percentage of gross sales for the most recent year. This usually amounts to about two percent for an existing business.

However, if you are planning on launching a new product or business, you may want to increase your marketing budget figure, to as much as 10 percent of your expected gross sales.

Another method used by small business owners is to analyze and estimate the competition's budget and either match or exceed it.