

Marketing Plan

Business Group :		Period :	
Business Unit :		Prepared by :	
Product/Product Line :		Date :	

Marketing Plan

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Marketing Planning Using This Framework

This marketing planning framework is designed to provide you with a structured approach to the production of your marketing plan.

The framework is not an academic exercise bearing no relation to how marketing planning takes place in the real world. It has been tried and tested within companies and has proven invaluable in providing an easily applied structure to marketing thinking and analysis. However, use it as a guide, rather than an exact prescription.

1. Terms Of Reference (if appropriate – otherwise start with 2.)

We suggest you write something like: “This marketing plan has been produced to ...

2. Executive Summary

The executive summary describes the report’s major findings and recommendations.

It is designed to provide a busy reader with the major issues contained in the report and allows the reader to gain insight to key outcomes without having to read the whole report. You may use bullet-points to present the key points if you like.

3. Business Mission and Vision

The business mission is a broadly defined, enduring statement of purpose that distinguishes a business from others of its type.

It should state “what business is the company in” (or wants to be in) and it may include the markets being served, the customer needs being satisfied and the technology being utilised.

If the Mission Statement answers the question “What are we here for?”, the Vision should answer the question “Where are we going?”

4. External Marketing Audit

A marketing audit is a systematic examination of the marketing environment our business operates in as well as our objectives, strategies and activities. It helps us identify key strategic issues, potential problem areas and opportunities as well as providing the basis upon which a plan of action to improve marketing performance can be built.

The external aspect of the marketing audit focuses on:

- Macro-environment
- The market
- Competition
- Customers and consumers

4.1. Macro-environment

The macro-environment consists of broad environmental issues that impinge on our business and is normally analysed under the following headings (hence the reason it is referred to as a PEST analysis):

- Politico-Legal
- Economic
- Socio-Cultural
- Technological

You don't have to put something under every heading; if it is not likely to impact our business, leave it out. For every event, state its likely impact on the company and the resulting implications.

4.2. The Market

The 'market' aspect of the marketing audit consists of:

- analyses of market size, growth rates and trends;
- customer analyses including who they are, what choice criteria they use, how they rate competitive offerings and how the market is segmented;
- distribution analyses including physical distribution, channel attractiveness, role and interests of decision-makers and influences with distributor organisations and potentially significant movements in power bases.

4.3. Competition

Competitor analysis examines:

- Who are our competitors (actual and potential)?
- What are their objectives and strategies, strengths and weaknesses, market shares, size and profitability?
- What trends will affect competition in the future (shift power to consumers and/or suppliers, encourage new entrants, substitution)?

Finally, any entry barriers that make it difficult for new competitors to enter the market (such as huge investment in manufacturing plant etc.) should be identified.

4.4 Customers and Consumers

Consider here B2B and B2C, build a profile of needs and preferences. Try to understand their motives and issue of indirect competition

4.5 Collaboration

Given the changing structures of markets it is essential to think through the chain. Examine the opportunities for partnerships with customers such as dedicated supply and also with competitors as an alliance

The external part of the marketing audit helps us identify **Opportunities & Threats**.

5. Internal Marketing Audit

The internal aspect of the marketing audit focuses on the activities and performance of the company in the light of the external marketing environment:

It should cover an evaluation of the following four sections (where info. is available):

- Operating Results
- Strategic Issues Analysis
- Marketing Mix Effectiveness
- Marketing structure and systems

5.1. **Operating Results**

This covers operating results (by product/product line, customer, geographic region etc.) in terms of sales, market share, profit margins and costs.

5.2. **Strategic Issues Analysis**

Strategic issues analysis will answer the following questions:

- What are our current marketing objectives?
- How do we currently segment the market?
- What is our competitive advantage (if any)?
- What are our core competencies?
- How are our products positioned in the marketplace?
- How are products placed in terms of market attractiveness and company strength (portfolio analysis)?

Each answer will be evaluated to produce **Strengths** and **Weaknesses**.

5.3. **Marketing Mix Effectiveness**

Each element of the marketing mix (product, promotion, price, place, people, process and physical evidence) will be evaluated in the light of the external marketing environmental analysis.

5.4. **Marketing Structures and Systems**

The marketing structures and systems of the company will be evaluated to identify what exists and its effectiveness. Marketing structures include marketing organization, marketing training, and intra and interdepartmental communication. Marketing systems include marketing information systems, the marketing planning system and the marketing control systems.

5.5 **Assets and Capabilities**

Show the assets in terms of fixed and variable assets and then the capabilities, which are the skills such as knowledge. This when matched to the gaps in the market show sources of competitive advantage

SWOT & TOWS Analysis

5.6 SWOT Analysis

A SWOT Analysis is a structured approach to evaluating the strategic position of our business by identifying our strengths, weaknesses, opportunities and threats. It provides a simple method of synthesizing the results of the marketing audit by summarizing the company's strengths and weaknesses as they relate to external opportunities and threats. The strengths and weaknesses are derived through the internal marketing audit whilst the opportunities and threats are derived from the external audit.

Strength 1. 2. 3. 4. 5.	Weaknesses 1. 2. 3. 4. 5.
Opportunities 1. 2. 3. 4. 5.	Threats 1. 2. 3. 4. 5.

Notes :

5.6 TOWS Analysis

Once we have completed our SWOT analysis, we then seek to match our strengths to the opportunities whilst simultaneously minimising (or if possible eradicating) weaknesses that impinge on our ability to take advantage of these opportunities.

A useful mechanism to help us do this is referred to as a TOWS matrix (SWOT backwards) which contains all of the SWOT elements (around the outside) and helps us undertake the matching, maximising and minimising process.

<p>You can put your market and or product/product line description here</p>	<p>Strengths</p> <ol style="list-style-type: none"> 1. 2. 3. 4. 5. 	<p>Weaknesses</p> <ol style="list-style-type: none"> 1. 2. 3. 4. 5.
<p>Opportunities</p> <ol style="list-style-type: none"> 1. 2. 3. 4. 5. 	<p>SO Strategies</p> <ol style="list-style-type: none"> 1. 2. 3. 4. 5. 	<p>WO Strategies</p> <ol style="list-style-type: none"> 1. 2. 3. 4. 5.
<p>Threats</p> <ol style="list-style-type: none"> 1. 2. 3. 4. 5. 	<p>ST Strategies</p> <ol style="list-style-type: none"> 1. 2. 3. 4. 5. 	<p>WT Strategies</p> <ol style="list-style-type: none"> 1. 2. 3. 4. 5.

5.8 Competitive or Differential Advantage

A competitive advantage is a clear performance differential (hence the term 'differential advantage') over competitors on factors that are important to target consumers/organisations. This provides the basis of **how** we compete.

Ultimately, commercial success is dependent on our company creating a competitive advantage by being **better** (e.g. superior quality or service), being **faster** at anticipating or responding to customer needs than competitors, or being **closer** to customers by establishing close long-term relationships with them.

6 Marketing Objectives

As a result of the marketing audit and SWOT analysis, relevant marketing objectives can be set. Two types of objectives need to be considered, namely quantitative and qualitative. This is important as it enables you to measure efficiency and to identify areas for development.

6.1 **Strategic Objectives**

This enables us to set strategic objectives for the portfolio. Having done this, we then go on to define specific 'SMART' financial and marketing objectives (Specific, Measurable, Achievable, Relevant and Time-based).

SMART Objectives – A Few Examples :

Financial :

Achieve total revenues of £x.xx million by xx/xxxx (month, year or financial year end) of based on an average selling price of £xxx per unit.
Product net profits of £x by xx/xxxx with a target profit margin of X% on total sales.

Marketing :

Achieve sales volume of xxx units by xx/xxxx (month, year or financial year end) representing a market share of x% (or an increase in market share of x%).
Generate x% or increase of x% in brand awareness by xx/xxxx.

The key strategic options are **build** sales and market share, **hold**, **harvest** (improve profit margins) and/or **divest** (drop or sell product(s)). At the same time, of course, we also have potential investment and resource allocation decisions to make.

6.2 **Strategic Direction**

Here the decisions about what business to be in are made and the focus of the strategy is established. Consider the base for your competitive advantage and decide on a the ability to differentiate based on the skills and capabilities

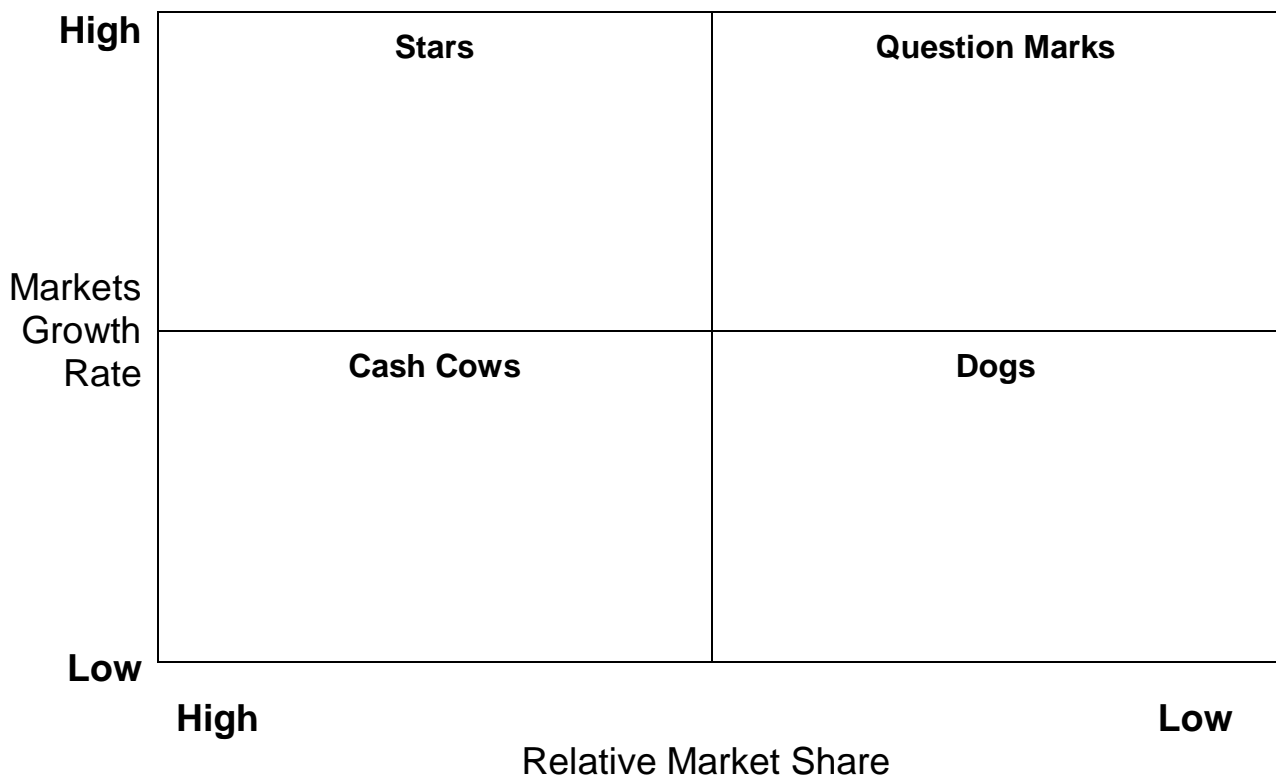
Strategic Thrust (Ansoff Matrix)

Strategic thrust defines which products to sell in which markets. The options are existing products in existing markets (market penetration or expansion),

Notes :

6.3.1 The 'Growth-Share' matrix

Created by the Boston Consulting Group – BCG – and named after the two axes 'growth' and 'share', this is another 'life cycle' oriented tool (Question Marks → Stars → Cash Cows → Dogs). However, its usefulness derives from the fact that we can use it to examine our whole product portfolio rather than looking at a single product life cycle. The aim is to achieve a 'balanced portfolio' where enough cash is being generated (for example, by the 'cash cows') to fund the potential products of tomorrow (the 'question marks').



Notes :

6.3.3 The 'Directional Policy Matrix' (DPM)

This has different axes to the growth- share matrix, namely 'market attractiveness' and 'business strength'.

Business Strength

		Strong Heaven	Medium	Weak
M a r k e t A t t r a c t i v e n e s s	High			
	Medium			
	Low			

Hell

Notes :

6.4 Target Markets

We now have to choose our target market(s), a group or groups (segments) of consumers / organizations we want to aim or target our offering(s) and communications at. This or these define(s) **where** we want to compete.

Decide on the attractiveness and easy of entry into those markets. By size, profit or level of competition for example

Notes :

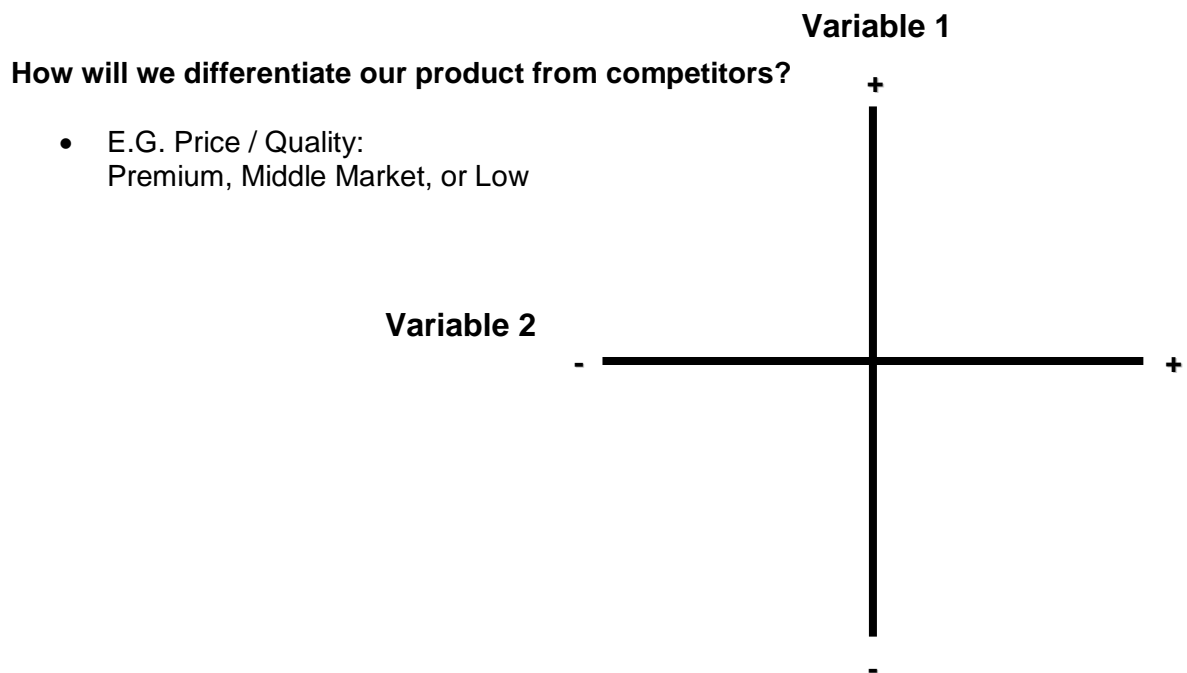
6.5 Competitor Targets

Besides targeting consumers/organizations, we also want to identify competitor targets. Weak competitors may be viewed as easy prey and resources channelled to attack them. The choice of target market may define competitor targets and be influenced by them: market segments with weak competitors may be attractive targets.

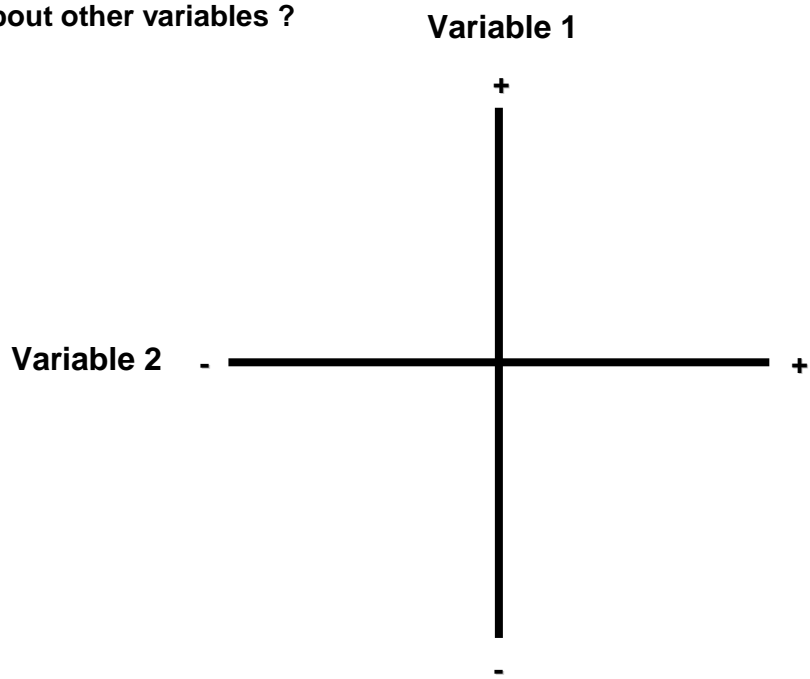
Notes :

6.6 Positioning

Positioning is the final step in the development of the core strategy. By focusing on the key requirements of our target customers and knowing our competitive or differential advantages in relation to our competitors, we can then 'position' our product(s)/service(s) within the market place and more importantly within the minds of our customers / potential customers.



What about other variables ?



How are we going to measure this/these ?

7 Marketing Mix Decisions

By defining a target market and understanding the needs of our customers we can now create a marketing mix designed to meet those needs better than our competitors. Decisions have to be made regarding product, promotion, price, place, people, process and physical evidence.

7.3 Product

Product decisions involve choices regarding brand names, features (that create customer benefits), quality and design, packaging, warranties and the services that will accompany the product offering.

	Description	KPIs
Description of the product / service you propose to introduce (Throughout this document, “product” = “product or service”)		
What are the features of the product you intend to introduce? Note: Each product feature should be matched by a <u>benefit</u> for the user. How many do you intend to sell? Over what period? How will you check that you are on target? (Use the KPI column for this last part)		

Notes :

7.4 Promotion

Promotion decisions involve choices regarding advertising, personal selling, direct and Internet marketing, sales and promotions and public relations.

	Description	KPIs
<p>Who is your target audience, and what message do you want to convey to this audience?</p> <p>(If you are creating awareness, the medium and the message will be different from a situation where you are seeking action, or reinforcing the brand).</p> <p>You may wish to consider some of the following, to communicate your message:</p> <p>Advertising Trade Shows Press / Magazines Exhibitions Internet Ambient media Special events PR Agency (if used) Target publications Target journalists Direct Mail Existing mailing list or bought in? Link to sales promotion? Personal Selling Remember the cost - how many f2f calls are budgeted? Are we backing up f2f by telesales?</p> <p>Remember to put schedules and KPIs for all the above!</p>		

Notes :

7.5 Price

Pricing decisions involve choices regarding list price, discounts, credit terms and payment periods.

	Description	KPIs
<p>What price positioning will you adopt?</p> <p>Do you need to achieve maximum profitability immediately (price skimming), or is your aim to build long-term market share (penetration)?</p> <p>You need to establish a pricing structure for your distributors / channel members (Discount structures, terms of payment, etc)</p> <p>You may also need to consider how your strategy will change over the product's life cycle.</p>		

Notes :

7.6 Place

Place decisions involve choices regarding the distribution channels to be used and their management, the location of outlets, methods of transportation and inventory levels to be held.

	Description	KPIs
<p>Are we selling direct, or through intermediaries, or a combination of both?</p> <p>OEMs Distributors</p> <p>What KPIs have we agreed with our channel members?</p> <p>Have we considered channel conflict, and what to do if this arises?</p>		

Notes :

7.7 People

People decisions involve choices regarding the levels of service and support to be offered to customers as well as clearly defined people roles and responsibilities.

	Description	KPIs
Do we need to recruit? Internally Externally		
Do we need to train? Who In what areas		

Notes :

7.8 Process

Process decisions involve choices regarding how product and services are delivered to customers and how we measure the effectiveness of these processes.

	Description	KPIs
What new processes, if any, need to be put in place? What existing processes can be used or modified to add value?		

Notes :

7.9 Physical Evidence

Physical evidence decisions involve choices regarding the 'appearance' of our organisation to customers including, image and physical assets such as premises and equipment.

	Description	KPIs
Are we using packaging to carry the message? Any new signage or displays required?		

Notes :

8 Organisation, Implementation

8.3 Organisation and implementation

Our marketing plan now has to be implemented. So, we need to decide and write down :

what is going to be done

who is going to do it / be responsible for doing it

how it is going to be done

when the specific actions will take place

where things will happen

You'll find a spreadsheet a very useful tool here !

Notes :

8.4 Control

The aim of control systems is to evaluate the results of our marketing plan, so that corrective action can be taken if performance does not match objectives. We may even want to produce a contingency plan.

Please enter the Key Performance Indicators (KPIs) along side the relevant actions in the marketing mix (under product, price, promotion etc.)

Objective	Control Method
A	A
B	B
C	C

Notes :