

Marketing Plans Revisited

The marketing plan is the often forgotten step-brother of the business plan. While we are taught in business schools around the world that a business plan is an essential document, marketing professionals everywhere enter into complex and expensive marketing campaigns without the benefit of a comprehensive marketing plan. The logic behind this escapes Tudog, as we believe that a marketing plan is also an essential document for every company.

Our dedication to the marketing plan is a function of our belief that marketing is one of the primary and critical functions of any company, and that the lack of a clear plan of action - formulated carefully and with the benefit of the proper business intelligence – could lead to mistakes that alienate customers, dilute competitive advantage, and ultimately, diminish company value.

The process of creating a marketing plan forces you to ask tough questions and discover the answers. The construction of a marketing plan goes beyond the development of a marketing strategy and the selection of tactics, serving also to define the methodologies and process that will be deployed for implementation.

So what are the elements of a good marketing plan and what considerations go into creating one? Below Tudog lays out the 14 element blueprint we most often use:

Element 1: Executive Summary

The Executive Summary is a high level summary of the marketing plan, included to provide all stakeholders with an overview of the information used, the reasoning engaged, and the conclusions drawn in developing the strategies and tactics that the company will be implementing as it moves forward. The Executive Summary is your opportunity to gain supporters for the plan, even before they delve into it.

Element 2: The Challenge

Every marketing effort has challenges it needs to overcome. The first step in overcoming the challenges is to identify them by listing them out. These may include well branded competitors, insufficient channels, lack of resources or other barriers to entry. In addition to identifying the challenges, it is also wise in this section to include a brief description of the product to be marketed and associated goals such as sales figures and strategic objectives. This allows the plan to establish a correlation between the challenges, the product(s) to be marketed, and the overall goals.

Element 3: Company Analysis

Understanding your company is a prerequisite for determining the best marketing path the company should undertake. You need to make certain you have an open, honest, and unbiased understanding of your company's goals, culture, strengths, weaknesses, implementation capacity, resources, ability (and willingness) to allocate resources, and ability to focus, stay focused and implement according to a plan.

Element 4: Customer Analysis

Just as you need to know your own company, you also need to know your customer. How many of them are there and what are their value drivers? What will persuade them that your company and your product(s) are worthy of their loyalty? Who are your customers and how do they classify demographically? Where are they located and how are they concentrated? What is their decision making process and what information do they need in order to make a decision? These questions all need to be answered so that you have the appropriate knowledge of your customer base and can develop and sustain a marketing program that leads them to the conclusion that they should be doing business with your company.

Element 5: Competitor Analysis

It is critically important to understand who else is marketing the same products to the same customers so you can understand what else is being said about the product category, how else it is being positioned, and what potential threats may lie ahead to your efforts to increase your presence and sales. In looking at competitors you should try to determine what position in the market they are seeking to carve out for themselves, what their strengths and weaknesses may be, and how much of a market presence they already command. You need to avoid their strengths, leverage their weaknesses, and select a position in the market that differentiates your company and its products from the competitors.

Element 6: Partners Analysis

Every company needs partnerships to assist it in the complete implementation of its marketing plan. Whether it is through joint ventures, strategic partnerships, or distributors, you should be certain to understand their capacities, their position, and the level of commitment they can actually fulfill.

Element 7: PEST Analysis

In every marketing effort there are factors that need to be understood, even if they cannot always be controlled. This allows us to plan around barriers and anticipate (and have contingencies for) unexpected events. In launching a new marketing effort a PEST - Political, Economic, Social & Technological – Analysis should be conducted, with the relevant factors in each category researched, analyzed, understood, and incorporated into the planning.

Element 8: SWOT Analysis

The SWOT analysis is a more widely used tool and is not always incorporated into a marketing planning process. Tudog likes to use the SWOT in this process because we think that understanding strengths, weaknesses, opportunities and threats goes a long way in aiding in the planning of a comprehensive, integrated marketing program. The SWOT, however, should not be limited to your company, but also to competitors and the overall market, so you get a better sense of where you stand within the overall environment.

Element 9: Market Segmentation

Not every market is completely homogenous and certainly you should not be expecting to sell your product to only one narrow market. Under these circumstances you need to understand how the market is segmented. You want to prepare a description of the market, how the sales are divided among the various segments, what need/want the different customer groups are seeking to satisfy when buying the product, whether there is any differences in how each group uses the product, what support requirements each sector may have (and whether you are set up to meet them, what channels are available to reach each group, and also whether there are price tolerance differences. By knowing these variations you will not only be able to structure a marketing plan with the broadest appeal, but also will be able to eliminate any groups you had under consideration that prove to be too outside your focused marketing plan.

Element 10: Product Strategy

The strategy stage begins with a look at the product and the determination of goals and positioning on a number of related issues, including brand name, quality of the products, the scope of the product line, how the product will be packaged, and whether you will back up the product with a warranty or guarantee. These strategic questions allow you to focus in on how your product will be defined.

Element 11: Pricing Strategy

Pricing is a central and critical component to marketing and any effort to extract consideration of pricing from the marketing process is an error. The pricing needs to be developed from the perspective of the price/quality ratio so the company can create a price point that reflects its positioning (exclusive, value, low price, etc.) and maintain that position over time. Additionally, you need to carefully consider where you place your list price, what kinds of discounts you are going to allow, and whether you will be placing the product on periodic special incentive programs.

Element 12: Placement Tactics

It is important to keep in mind that a core function of marketing, in addition to raising awareness and creating interest, is delivering the product to market – that is making certain it is available to customers once you have raised their awareness and created sufficient interest that they actually seek to buy the product. This requires a review of your channels, such as direct sales, sales through distributors or VARS, or sales through retail. You need to have a plan in place to identify, secure and maintain (motivate) your channels. You should also give some thought to the logistics of transportation, warehousing and order fulfillment as the company's ability to effectively execute on these matters will greatly influence your market presence.

Element 13: Promotion Tactics

The last element is the promotional element, or the aspects that serve to raise awareness and create interest. These tactical considerations come last because they are deployed to meet the goals laid out in previous elements and are selected based on information gathered and analyzed in previous elements. The tactics you want to consider include all the obvious choices – advertising, public relations, direct mail, internet based programs – as well as any distinctive opportunities that may come from the industry you are in or the market you are targeting. This is also the time to consider a

schedule of promotions and events you may use to promote the company, your brand and your product(s).

Element 14: Budget & Projections

In developing your marketing plan you need to keep in mind that your activities will be guided by the budget you have and will be judged by the results you generate. You need to include in your plan the budget you need and how you plan to allocate the funds. You need to show your anticipated results and how it relates to the resources expended (your Return on Investment).

The marketing plan is an essential component to your business planning process. Without exception, every company should have a marketing plan. With this article...you now know how to prepare your own. With the excuse gone, all that's left is a really good business practice.