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[MARKETING PLAN GUIDE]

Step by step guide to writing your own marketing plan

Marketing Plan Guide

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1.0 Mission Statement

State the core activity of the business, the main goods and services that it will provide, and also where you want to see the business in the future.

2.0 Current Market Position

It's important to understand the current position for your business before deciding on how to market it further. Marketing analysis and research (done in later sections of your plan) form the basis for identifying your current position.

External and internal business factors need to be considered and planned for.

2.1 Product

Although it seems obvious, it's important to identify your products and services in the plan. You need to consider each product or service in terms of existing competition and for how the market perceives it. You will need to market new products differently to those well established in the market.

2.2 Place

To sell products and run a business, you need to have premises of some sort. It may be a home office, a mobile service, a business centre office or a shop, but it needs to be considered from the customers' point of view.

Consider whether those premises and its location appeal to customers.

Compare your premises with your competitors' premises. Think about how your premises can work to your marketing advantage.

2.3 Price

Every business needs to set prices for products and services. A pricing strategy outlines how prices will be set and how much flexibility there will be for individual prices. It includes details such as discounts, specials, package deals and moving old stock. Check competitors' prices and policies to ensure you are being realistic with your policies.

2.4 Promotion

Consider how you currently promote and market your business and what is and isn't working. Look at what your competitors do for promotion, noting what does and doesn't work for them as well.

2.5 People

A business can't operate effectively without good staff. Each business has different requirements so you will need to consider the size of your business, what service level is required and hours of operation to determine how many staff you need. It's also important to determine what skills and experience staff require, what training they may need, how you will recruit new or replacement staff and what roles staff will be required for.

2.6 Processes

By writing down procedures for business activities, your business can be run more efficiently and consistently. Procedures can be for activities such as dealing with complaints, preparing quotes, serving customers, answering phone calls and emails and equipment use, creation of an operations manual.

2.7 Physical Evidence and Image

The appearance of your staff, premises and vehicles can have a large impact on how passers by and customers perceive your business. State your plans for this aspect.

3.0 Market overview

Your business is affected by factors beyond your control, and these need to be taken into account before making any plans. This part of the marketing plan is an overview of your key markets and predicted major changes on those markets that will impact on your business success. Essentially, you need to consider what opportunities and threats may arise out of the changes you expect in the next 6 to 12 months or longer. Conduct a PEST analysis (assess the physical, economical, socio-cultural and technological factors) to determine outside factors that will affect your marketing plans. Allow for factors such as new regulations under consideration, interest rate fluctuations, changes in market characteristics and technological advances.

4. SWOT Analysis

A SWOT (strengths, weaknesses, opportunities and threats) analysis can provide a lot of useful information for a business. It can give direction to the business and its marketing strategies. The results need to be concise, relevant and interesting, should be easy to read (using bullet points), and give a clear understanding of the business aims, and key issues and objectives should flow from it easily. Note that strengths & weaknesses relate to business itself, while opportunities and threats should reflect factors external to the business. Some factors to consider in a SWOT include:

- unique characteristics of the business/product/service
- amount of money available
- existing client base
- suppliers and distributors
- price structure
- profit margins

4.1 Key issues

From the SWOT analysis, what important issues need to be considered?

4.2 Key opportunities

From the SWOT analysis, what are the key opportunities?

4.3 Competitor Analysis

List main competitors, their strengths and their weaknesses

5.0 Assumptions

It isn't possible to accurately predict every possible threat and opportunity. However, with careful research and consideration, you can predict likely changes and prepare for their impact. By listing certain assumptions in your plan, it will be easy to see when the plan needs updating. For instance, if you assume something, and it does not occur, you can change the plan to allow for that. "This plan is based on the following assumptions"

6.0 Objectives

Your marketing objectives should be based on understanding your strengths and weaknesses and the business environment you operate in. They should also be linked to your overall business strategy. Marketing objectives don't just involve trying to make more sales. Your objectives can be about creating awareness, developing interest, motivating people to trial your business or getting clients to return to you. You may have more than one objective, but if so, make sure that they are consistent with each other. If the objectives aren't well suited, you may want to change one or perhaps delay one until you have achieved the first. Remember to make your objectives SMART (Specific, Measurable, Attainable, Realistic, and Tangible). Make your objectives with high targets as they can be broken into action tasks in the Action Plan sections of the plan.

6.1 Sales

Over the next 12 months,numbers/items/products will be delivered

6.2 Revenue

Over the next 12 months we will:

generate Rs..... in sales

have a working capital of Rs..... by the

6.3 Customer Base

Over the next 12 months we will:

have new clients

have quoted a furtherclients

completed projects of Rs.....plus for% of clients

have been in contact with new potential clients.

6.4 Ansoff's Matrix

Ansoff's matrix is a useful tool for identifying your marketing objectives. Ansoff identified four possible courses of action for your business:

- sell existing products to existing markets (safest option)
- extend existing products to new markets
- develop new products for existing markets
- develop new products for new markets (most risky option)

Marketing objectives should be about products and markets only.

7.0 Strategy

A strategy statement outlines how you will achieve the marketing objectives.

7.1 Strategy Introduction

The introduction of the strategy statement is a summary of the main strategies outlined in this section, so it's easiest to write once you've completed the strategy. Ideally you will use your SWOT analysis and statements of Key Issues and Opportunities to help you choose the market segments in which you will compete, and determine how to position your business relative to your competition. You need to develop strategies to meet those objectives.

7.2 Target market

As small businesses usually only have enough resources to target market segments, it's important to select the most relevant segment before launching a marketing plan. Before you choose, consider the following:

- Who are your customers and potential customers?
- Is there a market niche which has not been catered for?
- Are customers in this market satisfied or are they looking for a change?
- Can you offer them something which really meets their needs?
- Will you generate enough business in this segment to survive?
- Alternatively, is there too much business? Will you overreach yourself?
- How will competitors react?
- Can you communicate to this market effectively? How?

7.3 Positioning statement

Provide a statement outlining your approach to the market and how you will create brand awareness.

Consider these questions in developing your plan:

- Which elements of your marketing are essential?
- Which are preferable but optional?
- Do you have a clear understanding of your customer's needs?
- Do you understand your strengths?
- How will you differentiate your product from competition?

7.4 Branding strategy

Branding will make you stand out in the marketplace so a branding strategy can be a useful marketing tool. It takes time to create a strong brand, but it involves all aspects of your business and especially all marketing activities. The brand can be for your product, product range or your business.

7.5 Product strategy

This section describes your long-term product strategy in detail. If you are providing a service then you should consider your service(s) as your product(s).

You will need to consider:

- What features and benefits do you offer?
- Unique selling point (USP)
- Potential products

7.6 Pricing strategy

Determining the price of your goods and services is an important step when developing your business and marketing plans. The prices you set will affect the number of sales you will make, who will purchase from you, what service is required and how much profit your business makes. Well handled pricing strategies and changes can greatly improve the profitability of your business. There are four factors (cost, demand, competition and image) to consider in choosing a selling price, but there is no clear method of actually determining the correct price for the item and market. Experience and market research also help in this process.

7.7 Distribution strategy (place)

Distributing your products is part of successful marketing plan. Your customers will expect to find your products:

- When and where they need them
- In suitable quantities
- In appropriate places where they can choose between products
- With access to other services to help them use the product (such as after sales service)

7.8 Promotional strategy

Regardless of how good your business is, if you don't promote it and tell people you exist; it's unlikely that you will make many sales. Promotion is more than selling and advertising your business. It's about attracting the right people to use and reuse your business. There are a number of techniques to use and they can be combined in various ways to create the most cost effective strategy for your needs.

Promotion techniques are broken into four main categories:

- public relations
- advertising
- promotion
- packaging or personal selling.

Direct marketing is often added to the marketing mix despite being part of advertising rather than marketing.

7.8.1 Public relations strategy

Good public relations (PR) generate interest in your business in terms of enquiries and reminding existing clients of why they have used your business in the past. PR is a long-term process, to do with developing an image and a reputation with your customers and the market as a whole. PR strategies can be focused to appeal to particular market segments and to send a particular message.

All of your PR activities should then work towards promoting that message to the right people. Your one year marketing plan should include a publicity plan which will capitalise on 'newsworthy' events and opportunities. This includes using the press and radio to promote your message to your marketplace.

7.8.2 Advertising strategy

Advertising is used to attract customer's attention and interest, create desire for your products and services, inform customers and prompt customers to purchase from you. Your business can be advertised in many ways. Be sure you understand the message you want to send and the audience you want the message to reach.

7.8.3 Direct marketing strategy

A response is required for your activities to be classed as direct marketing. Many forms of advertising can be called direct marketing, but the responses received need to be monitored to assess the value of the strategy. One of the most common forms of direct marketing, especially for small businesses, is direct mail. A letter or flyer is mailed to potential customers in order to build awareness, increase sales, offer a trial or incite them to contact you. Another form is the use of a website.

7.8.4 Sales promotion strategy

Sales promotion is a tactical move where you persuade people to act in a particular way that they otherwise wouldn't have acted.

The following activities can be supported by a sales promotion strategy:

- introducing new products through a trial
- staying competitive through discounts or added on benefits
- encouraging year round use of products to reduce seasonal slumps
- attracting new customers
- increasing the perceived need for your product
- increasing the number of items purchased in each transaction

7.8.5 Sales strategy

Selling by one person to another is highly expensive but also the most effective form of promotion. Obviously, this occurs in every business, with or without sales staff. You need to develop a strategy outlining how much personal selling is included in the plan and how important personal sales are to your target market.

7.8.6 Packaging strategy

Packaging does more than protect and hold your products as it's an essential aspect of presentation and branding. Your packaging choices help make your product stand out from competitors' products and can create perceptions as well.

7.8.7 Partnership

Any partnerships created with another business should have a separate marketing plan specific to the joint aspects of your business. This marketing plan may allow certain activities and budget for these additional marketing plans.

7.9 Services marketing

There are obvious difference between marketing a product and a service. If your business is a service business, or has a strong service element as part of product sales, there are additional elements of the marketing mix to consider. These are people, process, physical evidence. Selling a service can be harder to control and keep consistency, and as it can't be stored, may lead to rejecting potential sales in peak times. Customers don't leave with a tangible item and as a result may value your service differently.

7.9.1 People

Good customer service is always important, but it is crucial in a service business. Any negative experience will result in customers looking elsewhere or being dissatisfied. Consider some of the following: staff uniforms; staff meetings; staff awards program; feedback forms for customers etc.

7.9.2 Process

Strategies for dealing with necessary and customer service tasks are an important way of ensuring consistency. Procedures make it easy to cope with busy times and when there are interruptions during a process. These could include procedure manuals for quote processes, sales behaviour, care of customers' premises, security and confidentiality, customer service and invoicing procedures etc.

7.9.3 Physical evidence

If there isn't a tangible product, you need to find other ways to brand and present your business. For instance, staff in uniform or having the premises decorated in certain ways can not only make your business professional and welcoming but can also create a brand. Other forms of physical evidence are things your customers can actually take away with them. Some examples are gift certificates, loyalty cards, business magnets or pens, certificates of achievement, information sheets or manuals, written warranties or guarantees, photographs and small gifts.

8.0 Resource requirements and budgets

In the long term, the business plan financial projections are usually sufficient to cover the marketing plan as well. However, the marketing plan should include a mini-plan of one year's operations. This includes details about how to achieve the overall objectives and costs for various activities. The mini plan uses the same format as the main marketing plan without the research and background information. It basically needs to include the objectives for the year, the strategies for reaching the objectives, action plans for the strategies and some contingency actions if the plan doesn't go as expected. Setting out the action plan in a spread sheet makes it easy to visualise and work with. It also will show up any points where actions will interfere with each other and take too much time at once.

8.1 Evaluation and control

The plan should be regularly reviewed and evaluated so it can be adjusted as required. Information collected during evaluations can also be used in planning future marketing strategies and objectives. State how you will evaluate and control your plan.

9.0 Business growth and development

Outline the future direction of the business. To grow and develop your business, you will need to optimise the use of business infrastructure, increase your buying power, improve efficiencies through internal specialisation and continually improve your products and services. Describe here how you intend to develop the business.

10.0 Financial forecasts

Financial forecasting means making a set of financial projections that will provide the figures to support the written information in your business plan. You need to provide fairly detailed forecasts for at least the first 12 months of your operations. Give careful thought to the initial capital requirements of your business, including a statement as to how the business will be financed (own funds/ bank funds etc)

11.0 Costing

Show how you have established the price of your products and services.

12.0 Records

Provide details of the management information systems that will keep your business running. (e.g. TALLY, quickbooks etc). Outline the types of records you will keep whilst operating the business.

13.0 Supporting documents

Including certain documents will support the statements you have made throughout your plan. You should include figures for projected cash flows and profit and loss, as well as a statement of financial position.

If applicable, you should also attach copies of your references, qualifications, licences, permits, partnership agreement, research data, current promotional literature and locality map