



## Chapter 8: THE MARKETING PLAN



# Learning outcomes

After reading this chapter, you will be able to:

- Plan segmentation, targeting, and positioning
- Plan direction, objectives and marketing support
- Develop marketing strategies and programs
- Track progress and control implementation
- Develop a strategic marketing plan.



# Importance of planning

Most marketing programs fail not because of a lack of resources and talent, but because of a lack of planning, focus, and consistent action.

*“Businesses don’t plan to fail, they fail to plan!”*



# Marketing planning

**Marketing planning** is the structured process of:

- Determining how to provide value to customers, the organization, and key stakeholders by researching and analyzing the current situation, including markets and customers
- Developing and documenting marketing's objectives, strategies, and programs
- Implementing, evaluating, and controlling marketing activities to achieve the objectives.



# Marketing plan

The marketing plan documents marketing intelligence, proposed marketing accomplishments, intended marketing strategies and action plans and lastly control measures.

# Marketing plan (cont.)





# Types of marketing plans

- Strategic marketing plan
  - Deals with the total strategy in a market and link customers, competitors and organizational capability and resources. It guides all planning and activities at a functional level across the whole organization and is prepared at a strategic business unit or company level
- Operational marketing plan
  - Deals with the marketing mix strategy that will be used to gain leverage in a specific product market for a specific market segment.



# Guidelines to a good marketing plan

## Good marketing plans are:

- **Comprehensive:** Make sure that there are no omissions of important information
- **Flexible:** The marketing plan structure should be flexible enough to be modified to fit the unique needs of your situation
- **Consistent:** The marketing plan structure should be consistent to that of the other functional area plans and adhere to the business planning timelines and requirements
- **Logical:** The structure must flow in a logical manner.





# Benefits of planning

- The systematic identification of emerging opportunities and threats
- Preparedness to meet change
- The specification of sustainable competitive advantages
- Improved communication among executives
- Reduction of conflicts between individuals and departments
- The involvement of all levels of management in the planning process
- More appropriate allocation of scarce resources
- Consistency of approach across the organization
- A more market-focused orientation across the organization.



# Properties of effective strategy

- **Market definition:** Effective strategies direct resource allocation between markets guided by the overall market direction and strategy
- **Definition of intended competitive advantage:** Resources are allocated between internal functions on the basis of their contribution to the intended competitive advantage
- **Internal consistency and synergy:** Efficiency is enabled by minimizing internal conflicts between areas of activity and optimizing synergy between areas of activity
- **Degree of uniqueness:** The effects of competition should be minimized by focusing resources and activity in a way that is significantly different from that of competitors



## Properties of effective strategy (cont.)

- **Congruence with the external environment:** Effective strategies leverage relative the company's internal strengths against relevant market opportunities and counteracts relative organizational weaknesses against likely market threats
- **Consistency with the organization's objectives:** Effective strategies define a target market that is large enough and perceive the company's a value proposition superior relative to the competition, to win a market share in accordance with the organization's objectives
- **Acceptability of risk level:** Effective strategies involve a level of risk that is within the organization's limits of acceptability



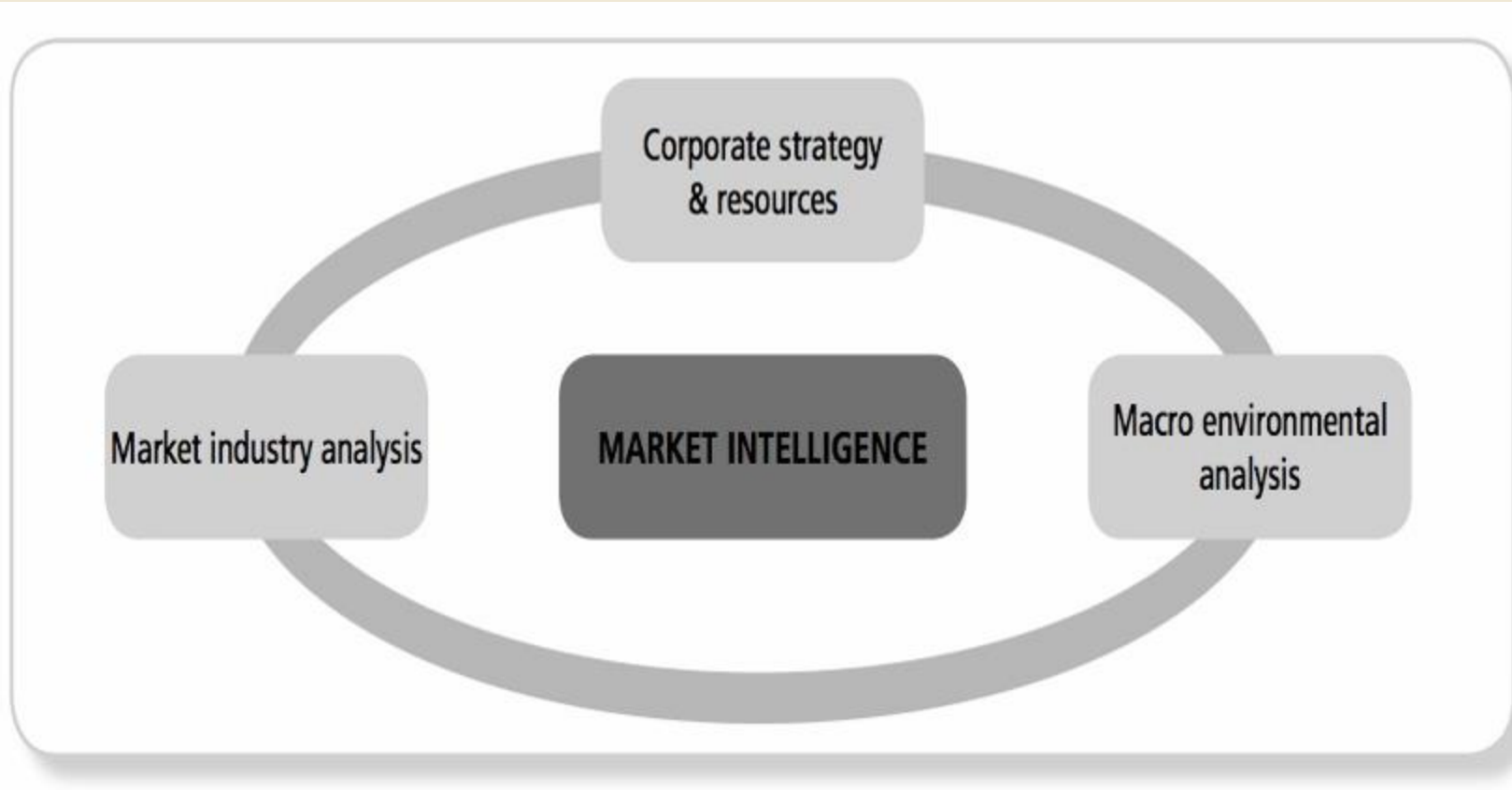
# Properties of effective strategy (cont.)

- **Feasibility within the organization's resources:** Effective strategies consider the availability of resource prior to execution
- **Provision of a level of guidance to tactical activity:** Effective strategies facilitate their own implementation by providing clear tactical activities that are necessary for and appropriate to the execution of the strategy.



# Market intelligence

The methods used by organizations to clearly identify their current market position and to take stock of their marketing resources and capacity.





# Marketing audit

- Used to gain an understanding of the internal and external environment in which a company operates
- Used as a framework within which strategies are formulated and implemented
- Used to link the internal and external environment's realities
- Leads to a more comprehensive understanding of the business environment
- Inform strategies by factual and evidence-driven information.



# SWOT analysis

A SWOT analysis is a practical managerial framework (or tool) that can be used to integrate the intelligence and marketing views to guide strategic direction.


- Strengths
- Weaknesses
- Opportunities
- Threats.

# Market opportunity analysis

Given the opportunities presented in the marketing environment, marketers need to use segmentation and targeting to focus on opportunities, and then use positioning for competitive advantage.








# Marketing objectives

- Is the objective specific, time-defined, and measurable?
- Is the objective realistic yet challenging?
- Is the objective consistent with the organization's mission and overall goals?
- Does the objective support the strategic direction of the marketing plan?
- Is the objective consistent with resources and core competencies?
- Is the objective appropriate, given environmental opportunities and threats?
- Does the objective conflict with other objectives?



# Marketing strategies

The means by which an organization sets out to achieve its marketing objectives:

- The main areas of focus are the definition of the target market and the marketing mix to be employed
- Marketing strategies also specify the resources required and the structure and allocation of responsibilities for implementation.



# The marketing mix

## PRODUCT

- Physical good
- Service
- Features
- Benefits
- Quality level
- Accessories
- Installations
- Warranty
- Product lines
- Packaging
- Branding

## PRICE

- Objectives
- Flexibility
- Level over product life cycle
- Geographic terms
- Discounts
- Allowances

## PLACE

- Objectives
- Channel type
- Market exposure
- Kinds of intermediary
- Kinds of locations and stores
- Transportation and storage
- Service levels
- Recruiting intermediaries
- Managing channels

## PROMOTION

- Objectives
- Promotion blend
- Salespeople
  - Kind
  - Number
  - Selection
  - Training
  - Motivation
- Advertising
  - Targets
  - Kinds of ads
  - Media type
  - Copy thrust
  - Sales promotion
  - Publicity



# Marketing plan structure

- **Executive summary**
  - Briefly reviews the plan's highlights and objectives, linking the marketing effort to higher level strategies and goals
- **Current marketing situation**
  - Summarizes the environmental trends:
  - Customer analysis
  - Market demand analysis
  - Internal analysis
  - Competitor analysis
  - Macro environmental analysis



# Marketing plan structure (cont.)

- **SWOT**
  - Strengths
  - Weaknesses
  - Opportunities
  - Threats
  - Cross Impact Analysis/TOWS Matrix
- **Opportunity analysis**
  - Explains the segmentation, targeting and positioning decisions. Also discusses the segments to be targeted, with an overview of customers' and prospects' needs, wants, behavior, attitudes, loyalty and purchasing patterns



# Marketing plan structure (cont.)

- **Marketing objectives**
  - o Outlines the specific marketing plan objectives
- **Marketing strategy**
  - o Shows the overall strategy to be used in achieving the marketing plan objectives by creating, communicating, and delivering value to the target market. Indicate areas of competitive advantage.



# Marketing plan structure

- **Marketing programs**
  - Lays out the marketing mix elements per target market segment, supporting the marketing strategy, including specific activities, schedules, and responsibility for:
    - Product
    - Price
    - Place
    - Promotion
    - Service
  - Internal marketing
  - Facilities
  - And other marketing mix elements applicable



# Marketing plan structure (cont.)

- **Budgets**

- o Details expected revenues, budgets and profits based on the marketing programs in the plan

- **Implementation controls**

- o Indicates how the plan will be implemented, including metrics for measuring performance; shows how adjustments will be made to keep programs on track toward objectives; and includes contingency plans as needed.



# Major obstacles to developing and implementing marketing plans

