

Five Serious Considerations (and a Checklist) for Your Next Marketing Plan

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Most businesspeople intuitively know that the key to successful marketing is having a marketing plan—a blueprint for action. However, many companies operate without one, focusing instead on the issues of the moment without committing to a long-term strategy.

A marketing plan does not need to be complex, but it does require several elements to be effective. The plan should include market research to understand the customer, defensible positioning to own a space in the customers' mind, strategies and tactics to meet the company's marketing goals, and metrics to track progress toward those goals.

Most importantly, a marketing plan must be aligned with the company's business plan.

"Don't even think of waging a battle or producing marketing materials without a plan," advises Jay Conrad Levinson, president of Guerilla Marketing, International.

Most businesspeople understand that such a road map enables the organization to achieve business outcomes—often related to increased market share, improved customer lifetime value, and enhanced profitability.

There are a multitude of reasons for creating a marketing plan: to provide strategic direction, create a dialogue with senior management, communicate priorities, obtain buy-in from other parts of the organization and request resources.

An effective plan can positively impact the bottom line. Research shows that companies with a marketing plan experience a 24-30% improvement in sales over those without.

A marketing plan must be relevant and actionable. It should gather and distill the learning of the organization into one document that charts a course of action. A well-constructed marketing plan answers the following questions:

- What economic and business environment are you experiencing?
- What opportunities and problems/challenges are you facing?
- What business objectives do you expect to achieve?
- What exactly do you sell?
- Who specifically are your customers/targets?
- Why should these people buy your products or services rather than your competitors'?
- How will you communicate your product or service to your customers/targets?
- Who will do what, when?
- How are you going to measure and report your progress?

Every company should address and include five areas when developing their plan:

1. Market Research

If marketers are to accomplish the task of creating and keeping customers, they must conduct research to understand their markets and the shifts in the marketplace. Through research and



evaluation of their products or services, companies learn what customers value most and what barriers exist to marketing their offerings.

This knowledge guides decision-making and can reduce the number of projects to be undertaken and increase the usefulness of those that are.

Market research provides the input necessary to analyze your company's situation. It provides the rationale for the decisions being recommended in the plan. Market research should examine the macro environment, market size, internal trends, competitive situation, market requirements, product/service purchasing attributes and supplier-evaluation criteria.

As you conduct research and analyze the market, you should consider a number of questions, include these:

- What market are you trying to serve? How big is your market?
- Are there segments in your market?
- What are the overall trends and developments in your industry?
- What is the rate of market growth or shrinkage over time?
- Are there any differences in market growth by time of year?
- How big are your competitors? What companies have what portions of the market?
- What products or services do your competitors offer? How do they differ from yours?
- How does competitors' pricing compare with yours?
- What marketing strategies and tactics does the competition use, and to what degree of success?
- What are the competitors' strengths and weaknesses? How will you defend and exploit each of these?
- What are the key factors for success in the market you are trying to serve?

It is important to view market research as an investment, not an expense. Even on a small budget, companies can search on the Internet and in libraries, purchase reports and conduct focus groups and electronic surveys.

It is also crucial to conduct research regularly and periodically, as markets change very rapidly in today's dynamic environment.

2. Positioning

A defensible market position and clear value proposition form the foundation for the creation of a marketing plan. Marketing initiatives within the plan should be anchored to the company's positioning to create a consistent dialogue with the customer.

Using market research, companies can better understand what their customers value about the company and its offerings. This information can guide the positioning of the company, locating a defensible position in the market and owning that space in the mind of the customer.

They must also make sure that the company's pricing and offerings are aligned with the value perceived with the customer.

Good positioning occurs within a competitive framework, which is often a result of a complete analysis of strengths, weaknesses, opportunities and threats, also known as SWOT.

SWOT may have its own section in a plan, but the SWOT analysis serves as a good foundation for positioning. Its purpose is to assess your organization's capabilities and that of your competitors' within the context of four questions:

1. What internal **strengths** do your organization or product/service have—compared with your competitors'—that will improve sales?
2. What internal **weaknesses** do your organization or products/services have—compared with competitors'—that will hinder sales?
3. What external **opportunities** are available to your organization or product/service that will improve sales?
4. What external **threats**, over which your organization may have no control, are confronting your organization or product/service that you may have to react to?

3. Strategies and Tactics

Moving a prospective client from a stage of awareness to one of consideration takes a sound marketing strategy designed to drive demand and influence purchasing behavior. According to famed business strategist Michael Porter, a strategy "creates a company's position, making trade-offs and forging fit among activities."

Marketing strategies are often formed around selling existing products in existing markets, extending existing products to new markets, or introducing new products to new markets.

Strategies often include the expected results; they also provide the "how" and the direction for the course of action. Strategies describe the broad direction that the organization will take to achieve the stated objectives. Strategies define how the organization will compete in the market, reach target customers, position the product/service and motivate customers to buy.

With clear strategies in place, a logical set of tactical operations and actions follow. It is from these tactics that the timelines, resources and budget for the marketing plan are derived.

Tactics are the specific actions you use to implement the strategies. The tactics section of a plan defines exactly what you plan to do, why and how the action will improve the organization, who will be responsible for each action, how long each action will take, when it will be done, and what the cost will be for each action.

4. Metrics

Providing a means to assess progress, metrics are an essential part of any marketing plan. By constantly measuring actual performance against the metrics, companies can determine whether they are meeting the objectives of the plan and whether an adjustment is required.

The objectives of a marketing plan are typically stated around one of three strategic metrics: market share, lifetime value and brand equity—the three areas of marketing responsibility. Choose metrics and the appropriate key performance indicators that you have a method of measuring.

Like market research, metrics must be taken periodically to remain effective as markets change. Metrics tend to reveal more information when taken regularly over a long period of time, showing which initiatives are most successful and efficient. This can rally support for the plan, as metrics demonstrate accountability and provide evidence for undertaking certain marketing projects.

5. Business Plan Alignment

Most importantly, the marketing plan must be in synch with the company's business plan. Marketing goals must be prioritized in line with the company's business goals. Marketing strategies should be based on how the company can best provide value.

Demand-generation tactics must be aligned with the sales pipeline and the goals of the sales organization. Some people create their marketing plan in a vacuum and are surprised when they find little support and success in their plan.

A Marketing Plan Checklist

With knowledge in these five areas, the marketing plan should come together easily. The following checklist will help round out the marketing plan and ensure its completeness. The marketing plan should address these questions:

- Who is being served? Who are the right sets of customers?
- What are their needs and priorities? What is a meaningful value proposition and brand promise?
- How can quality product/service be provided cost effectively?
- Are outside conditions right for the company's product/service?
- What is the most convenient way to bring the product/service to the market? How can the product/service be best delivered to fulfill the brand promise?
- What are the best ways to inform the market about the products/services?
- How will the company measure if the market is satisfied?
- What can the company do to make things even better?
- How can the company become the customer's first choice?

To be effective, a marketing plan identifies options, prioritizes resources and selects the best opportunities. It serves as the foundation for the activities that create and nurture a promise of value to the customer.

Properly created, the marketing plan is a living document; it is anchored to the overall business goals and focuses on customer value, growth and profitability.

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