

Developing, Writing and Implementing A Winning Marketing Plan

Developing, writing and implementing a successful Marketing Plan starts with solid Industry and Market Analysis and concludes with an implementable Marketing Strategy and Marketing Programs. A Marketing Plan is not developed and implemented independently; rather, it should be developed in close coordination with your Business Plan's Products and Services Section and ultimately implemented through your Company's [Strategic and Sales Plans](#). This article gives you an overview of what an effective Marketing Plan contains. For more information and a step by step guide on developing a Marketing Plan, see the ABC Business Consulting [Business Plan Workbook](#).

There is a certain approach and building-block process to developing a Marketing Plan. The place to start is analyzing your Industry: its current state; who the major participants are; changes in the industry; opportunities, economic modeling forecasts; and examining who else may enter the industry. With that completed, move on toward determining how distribution works in your industry and how technology affects its distribution systems.

After your analysis on the Industry level is complete, it is time to narrow your focus to analyzing and defining your market segments. Determinants of Market Segments are Demographics, Geographic's, Customer Needs, Buying Patterns, Psychographics and so forth. Once your Market Segments are defined and analyzed, then for each of the Market Segments, explain how the Market Needs lead these identified groups to buy your products and services. A good **Tip** when analyzing and explaining Market Needs: Define your Products and Services' Offerings in terms of Target Market Needs; focus not on what you have to sell but more importantly, on the buyer needs you satisfy. Determine why customers buy from you and formulate that strategy behind your Market Segmentation.

With your Market Segmentation Strategy outlined, you can now narrow down your Target Markets, determining what Market groups are more important to your operation, along with, the Target Market Niches you can effectively target. It is vital to narrow down what your Target Customers' needs and characteristics are, along with, what makes certain target groups more advantageous to exploit than others.

The next step in the Marketing Plan Process is to analyze Market Trends from a Strategic standpoint. Look at Market Trends as a way to get ahead of the market direction, knowing with a probability of certainty where it is going before hand. Having established the nature and direction of Market Trends, you can now adeptly and realistically project your Market Growth and specific Growth Rates. Your Growth Rate Projections should identify in detail the relationship between your potential customers, sales, revenues and ultimately, profits. Now you will be able to establish a realistic projection of Return on Equity and Return on Investment, as well as, identify the funds needed to finance and sustain this growth from an internally generated source (i.e. Cash Flow) and an externally generated source(s) (i.e. Lenders, Venture Capital, Investors, etc).

With Market Trends and Growth rates determined, it is time to explain the Nature of your Competition, why customers choose one provider over the other and why customers will buy from your company instead of these competitors. Provide a detailed competitive summary of your Products and Services' Variables, ranking them in comparison to your Competition (example variables: Pricing, Sales, Trends, Positioning Clarity, Quality, Value, Reputation, Packaging, Advertising, Customer Service, Target Market Focus, Innovation, Brand Awareness and so forth).With this Competitive Analysis on a Product and Service Variable level completed, determine your Top Five Competitive Strengths and Weaknesses, as well as, identifying your top Competitive Gap Threats.

Having established your competitive Gap Threats, you can now develop a detailed Analysis of your Competitors. You must show how you can bridge your Competitive Gaps, clearly showing you can effectively compete, and what areas your business is better than the Competition. It is important at this juncture to illustrate how Competitively Positioned your Company will be in the Market. Specifically, what is your Positioning Strategy and

what your areas of specialty and customization? With your Company's Competitive Positioning Strategy clearly defined and established, you can clearly explain your Company's Competitive Edge. Competitive Edge is sustainable value which can be maintained and developed over time. As importantly, what Barriers to Entry can your Company create to sustain superior growth and keep this Competitive Edge? Things like Cost Structure, Distribution, Trade Secrets, Product Differential, Customer Integration, etc. should be analyzed to determine how you can effectively establish strong Barriers to Entry, thereby, protecting your Competitive Edge and Future Growth.

Let's pause and see what has been accomplished so far in this Marketing Plan Process Overview:

1. Industry and Market Analysis
2. Market Segmentation
3. Target Markets
4. Strategic Market Trends
5. Market & Company Growth Rates
6. Competitive Analysis & Gaps
7. Competitive Positioning & Edge

Two parts remain: your Marketing Strategy and Marketing Programs. These two parts of your Marketing Plan are closely linked as your Marketing Programs will implement your Marketing Plan's underlying strategies.

It is important to remember that the term "Marketing" is defined as the broader effort of generating Sales Leads on a large scale basis and enticing customers to consider your products and services. Your Marketing Strategy will explain how your Marketing Program will support your Company's Strategic Plan and specifically identify the Sales Appeal of your Products and Services. Elements to consider: Company Uniqueness, Products and Services, Positioning; Attracting and Maintaining your Market.

This is further developed in the core components of the Marketing Strategy.

1. Positioning Statements: Strategic Focus on the most important Target Markets; the Market's most important Needs; and how your Products and Services meet those Needs. State the Main Competition; how your Products and Services are better.
2. Pricing Strategy: Provide a Price Breakdown of your Products and Services and relate your Pricing Determinants and Strategy to your overall Marketing Strategy. Consider things like: What your Products and Services cost you to produce and sell; what your Margins will be; Discount Policies & Strategies; Dealer and Distributor Margins; Recouping R & D costs; Possibility of Pricing Wars; Critical Supply and Demand factors; How Pricing will change over time, etc.
3. Promotion Strategy: This component of your Marketing Strategy will answer how you spread the word about your Company to future Customers, and how you will Promote your Products and Services. Elements to consider: Advertising, Public Relations, Trade Shows, Events, Direct Mail, Internet Strategies, Seminars, Sales Literature, Expected Response Rates, Promotion Costs, Name identification, Brand Loyalty, Advertising Budgets, Incentives; Advertising Message, Theme and Vehicles; Customer Communications and so forth. It is important to determine the Marketable Differences in your Products and Services over your Competition.

4. Distribution Strategy: How will you / who will distribute your Products and Services? What is Unique in your Distribution Strategy compared to the Competition? What are your Distribution Strengths? Types and numbers of Sales People? Sales People Compensation Structure? Sales Territories? These are some of the questions you should be asking while developing your Marketing Strategy's Distribution System.

Your Marketing Strategy should conclude with determining the Changes over the next three to five years which would impact most on your Marketing Strategies. What potential changes can harm your market and bring advantage in your market? How can you prepare for these changes? A Marketing Strategy is never stagnant, it is always developing and adjusting to Market Conditions, Trends and Changes.

With your Marketing Strategy fully developed, you can now assemble your Marketing Strategy Profit & Loss Statement. This P&L Statement is less about Sales Forecasting (which is developed in more detail in the subsequent [Strategic Planning Process](#)) and more about a general indication of whether the Marketing Strategy will be successful.

Example Marketing Strategy Profit & Loss Statement Format

	<u>Proposed</u>	<u>Estimated</u>	<u>Actual</u>
Volume			
Value			
Cases			
Percent Increase			
Share			
Cost of Goods			
Sales & Distribution Expenses			
Advertising & Promotion Costs			
Misc Costs			
Pre-Tax Profits			

The last Section of your Marketing Plan deals with your Marketing Programs. Areas to consider include:

- Defining Marketing Programs
- How the Marketing Strategy will be implemented
- Identify specific Marketing Plans
- State Market Gaps and how they will be met
- How implementation of your Marketing Programs will be measured and quantified
- How your Target Markets relate

- How you will capture Markets others are competing for

The Marketing Programs put your Marketing Strategy into action, bringing “life” to your Marketing Plan.

Conclusion: Your Marketing Analysis and Plan are developed in concert with your Products and Services Development, resulting in a Marketing Strategy and implemented through the Marketing Programs. These Marketing Strategies and Programs are then assimilated into your Company and executed through your Company’s Strategic and Sales Plan. A Flow Chart outlining this inter-relationship:

Products and Services Development => Market Analysis => Marketing Strategy => Marketing Programs => Marketing Plan => Strategic Plan => Sales Plan => Happy Customers and Financial Success.

So you are probably asking, what is entailed in a Strategic Plan and Sales Plan? Please see the ABC Business Consulting Article on [Strategic Planning for Business Success.](#)

For a step-by-step guide on developing an Effective Marketing Plan and a Successful Business Plan, please consult the ABC Business Consulting [Comprehensive Business Planning Workbook.](#)

This article was written the ABC Business Consulting Chief Business Consultant, who has over 20 years experience helping companies start, grow, turn-around and succeed. Please visit [The ABC Business Consulting Website](#) for more information on what a [Business Consultant](#) can do for your Company.

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