

DEVELOPING A REALISTIC MARKETING PLAN

SAMPLE MARKETING PLAN OUTLINE

The following outline is the format used in developing a marketing plan. The ideal plan should be 10 to 15 pages in length, not including your financials or appendixes.

EXECUTIVE SUMMARY:

This is the most important part of the marketing plan because it is an overview. The summary should be as short as possible, but in any event, should not exceed three pages. It should be a concise and clear highlight of what the company is all about. It should include descriptions of the following, while at the same time remaining to the point. It is the last part of the plan to be completed.

1. The Company: when it was formed to pursue what purpose
2. The Product/Service:
 - what are you selling
 - what makes it unique
 - is it a proprietary product/other entry barriers
 - at what stage is its development
3. The Market:
 - current size
 - location of target market segmentation
 - recent growth (cite sources)
 - projected growth (cite sources)
 - estimated company market share or projected sales
4. Financial:
 - net income per year expected
 - source of additional capital
 - cash flow contingency plan

5. Management:
- completeness of team
 - brief past experience
 - highlight strengths

STEP ONE: Execute a Situational Analysis

B. Market Position/Market Analysis: This section proves to be one of the major obstacles in writing a market plan. It provides an in-depth view of how the company perceives the market into which it will be selling.

It is this area in which you identify your market niche. What is it about your market segment that makes it right for your company. Is it a niche ignored by competitors or ill-served by competitors? If you go into it and make a profit, what would stop a larger competitor from entering it?

It should address the following:

1. Market:

- What is your market, or, who are your customers (other businesses, government, residential consumers, etc.)

Why does this market need your product/service? Is your product/service a fad or continuing need: being phased out or created by new technology

- Estimate the size of the market (in terms of number of customers)

Estimate how much the total market will spend on this or similar products/services in the next year.

2. Environment: Discuss any environmental factors (economic, political-legal, competitive, social-cultural or technological) that affects your market or product/service. Environmental factors are those that have significant effects on your operation, but over which you have no control, i.e., county growth, rising energy prices, inflation, government regulation, etc.

3. Competition:

- Discuss your competition: number of competitors (direct and indirect), type of company (product or service), location, age reputation, size (sales or customers), market share

Estimate how much of your product/service all the competition will provide in the next year

- List major competitors and discuss their; product/service features, price, location/distribution, reputation/image, market share, size, age, product/service quality, and marketing strategy

4. SWOT - Strengths, Weakness, Opportunity, Threat
(of Company)

STEP TWO: CREATE MARKETING GOALS & OBJECTIVES

C. Marketing objective: Must be measurable such as desired market share or percentage growth in sales

STEP THREE: CREATE COMPETITIVE POSITIONING & DIFFERENTIATION:

D. This is a brief description of your competitive advantage over the competition. It should also address your positioning strategies, and the image that you are projecting to the consumer.

STEP FOUR: CHOOSE MARKET SEGMENTS, TARGET MARKETS AND EVALUATE MARKET DEMAND

E. Target market: Carefully define what your customer base will be, considering geographic, psychological, demographic and benefit characteristics.

1. List the characteristics of your average customers: age, location (market area), average income, sex, lifestyle (family or single), working, and other important information. The more you understand about your market, the better you can sell to it.
2. What do customers like and dislike about your product/service?
3. How large is the market?
4. What is the growth potential?

STEP FIVE: DETERMINE YOUR MARKETING MIX STRATEGIES, IMPLEMENTATION & EVALUATION

F. Market Mix Strategies

1. Product/Service Strategies: Provide a detailed description of existing products, services and plans for future products/services.

Description:

- components
- potential component supply problems

- proprietary protection
- advantages/disadvantages to competing products/services
- differentiation from competition. Here a high level matrix comparing your products/services capabilities, strengths, and characteristics to your competitors is useful

Future Products/Services

- innovations to existing line
- new products/services
- development time lines

2. Price Strategy:

- What will be your basic pricing approach? Will you use high quality/high price, meet-the-competition, discount strategy, or other?

What price(s) have you set for your product/service? Can you obtain an adequate share of the market at those prices?

- Are the prices you plan to charge compatible with the image of the business you will be creating?

3. Distribution/Place Strategies:

- Product: The decision of how to get your product to your customer is important because of the time lags involved and the costs of middlemen. It would address: factory distribution, company-owned regional distribution, independent remote distribution, order lead times, etc.
- Product/Service: The choice of location should enter into your plans. The requirements will depend on the type of goods/services to be sold and the market which is sought. A retail store's primary concerns will be traffic patterns, parking availability, neighboring businesses and institutions - all factors that affect the number and type of people that are exposed to the business location

4. Promotion Strategies:

- Describe how you plan to promote your product/service. State how you will promote: advertising, direct mail, personal contacts, sponsoring events or other (word-of-mouth, trade associations, etc.)
- If you plan to advertise, state what media you will use: radio, television, newspaper, magazines, telephone book yellow pages, and/or other (billboard, etc.). State why you consider the media you have chosen to be the most effective
- State the content of your promotion or advertising: what your product/service is, why it is attractive, business location, business hours, business phone number, and other. When you are designing your advertising theme, remember you are selling to satisfy the customer's need.

G. Implementation: By using a plan of action chart, containing objectives, responsible party for each segment of the plan, deadline for completion, and actual completion date, you will be able to visualize the effectiveness of your plan. You should also develop a contingency plan. If your marketing mix is not appropriate or effective, what alternative(s) exist?

H. Budget: A well prepared budget is an effective tool. It should reflect projected revenues and costs associated with the proposed marketing plan. A one year Profit and Loss Statement is required.

I. Review process:

1. A primary responsibility of marketing is to determine and prioritize essential marketing activities. These are the activities which support marketing strategies and are sometimes referred to as tactics.
2. The use of regularly scheduled evaluations provides an opportunity to make slight corrections if needed to insure that year-end objectives will be met. Major problems can normally be prevented before they occur. The situation is analogous to conducting regular maintenance on a vehicle rather than waiting for a breakdown which requires substantial time and money to repair.

3. Monthly and quarterly objectives are measured against actual results. It is the responsibility of management to determine why variances have occurred and to take corrective action. Action alternatives may include the replacement of personnel, requesting additional marketing funds, introducing new product/services, lowering prices and many more.

4. Each area of review must be selected and tailored to the particular company. Areas of review could include, but not limited to:

- Financial condition indicators
- Market position
- Market standing
- Innovation
- Productivity
- Profitability
- Growth in sales(measuring new & established customers)
- Public responsibilities