

OKVetWorks

*Marketing  
Plan Guide*

## The Marketing Plan

If you've ever tried to wade through marketing textbook, you've probably come across some wordy and complicated definitions for marketing, like this one:

“The marketing concept is management orientation that holds that the key task of the organization is to determine the needs and wants of the target markets and to adapt the organization to delivering the desired satisfactions more effectively and competitively than its competitors.”

Though this definition is certainly comprehensive, marketing has been more succinctly defined by Murray Raphel, noted marketing guru, who said: “Find out what your customers want and give it to them.”

A marketing plan is, essentially, the strategy that will help you “find out what your customers want and give it to them.” Each element is an integral part of the whole, so it's crucial that your marketing plan include certain components. Your marketing plan should answer the following questions:

1. Who/What is your market?
2. What are the trends of your market?
3. What is your market share (and the trends of your share)?
4. How can you increase your market share?
5. How can you increase profitability within your market share?

The six steps you'll follow to create your marketing plan will provide the answers to these questions as you prepare your marketing plan of attack.

### Step One: The Five Components of Market Research

Research is the cornerstone of any marketing plan. Objectives, positioning, strategy, execution—all of these elements hinge on the accurate, insightful conclusions of thorough research. Don't assume you know how your customer feels about your service or product or that your competitors aren't encroaching on your market share. Let your research draw these conclusions for you. Remember, research never ends. It's grim reality that on-going research is function of any long-range marketing plan. You'll need to reevaluate your information on regular basis. Service or Product - you need to know what you're selling. To develop true understanding of your service or product, ask yourself these questions:

1. Why would someone buy or use this?
2. How important is price?
3. How long does it last?
4. How often do people need it?
5. What do customers like and dislike about it?
6. What do customers base their purchase on?
7. Can it be improved? How?

8. Does it require any follow-up service?

## Company

Before you can decide where your business is going, you need to look at where it's been. Unless you've just opened your doors, there's wealth of information at your fingertips: sales figures, customer information, employee history, and financial data. You need to spend some time developing profile of your company in order to familiarize yourself with the strengths and weaknesses that may affect your marketing plan. If you are new business, begin tracking this information now—then you won't have to spend time compiling past figures.

In-House Data: Analyzing numbers is great reason to plunge into the world of computer technology. If you don't have computer system, it's time to get one. Your in—house data may include:

- Sales data
- Salesperson reports
- Warranty cards
- Old marketing plans

Use this information to answer the following questions:

1. How have sales changed from past years? Are there trends?
2. How has pricing affected sales?
3. Has the business become more (or less) profitable as it has grown?
4. Have past marketing efforts succeeded or failed? Why?

Another important note, don't simply look at data from the past year. Analyze several years, and as time moves on, update your analysis with current figures.

## Customer

There are number of elements essential to customer research:

- Customer Profile
- Market Segmentation
- Potential Customers and Prospects
- Customer Tracking
- Customer Perceptions
- Customer Retention

Your customer profile should include statistical information like age, sex, income, occupation, and marital status (demographics); the location of your customers (geographies); and lifestyle information like interests, opinions, and values (psycho—graphics). If your customer is business rather than an individual, these categories would change accordingly. For instance, demographic information would include size, age, number of employees, services and/or products offered, etc.

Understanding your present customers will help you to identify potential or 'look—alike' customers for target marketing.

Your customer perceptions are the opinions your customer has about your business, your competition, and the service or product you provide. Tracking your present customers, and creating profile of them, will give you clear picture of their influence on your business. As business owner or manager, you need to ask yourself: Am getting the most from my customers? Do offer services or products that they are not buying? Are there services or products that should carry because my customers are buying them elsewhere? What do my customers like most and least about my service or product?

Once you've described your customers, you can begin to divide them into smaller groups. This is called segmentation. There are two major reasons for segmenting your market:

1. You can pursue the most appropriate markets.
2. You can develop very specific and appropriate marketing strategy.

It's important to remember that your present customers may be your best prospects. This being the case, retention marketing must be included in your marketing objectives and strategy. Not only do you want to keep these people, you may be able to sell them something else. Maximizing the potential of clients you already have is much less expensive and less time-consuming than reaching out to potential customers. It's your customer base that provides stability, so be sure to include this group in your marketing plan.

## **Competition**

There are lots of things you need to know about your competition:

1. Who are they?
2. What is their market share?
3. How long have they been in business?
4. What do they offer that you don't (and vice versa)?
5. Do they advertise and to what extent?
6. How do they position themselves?

## **Marketplace**

In addition to your service or product, your company, your customer, and your competition, there are other factors that can have an impact on your marketing plan. Referred to as the marketplace, this area (which includes factors like seasonality and economic trends) is often beyond your control. But while you can't change things, it's important to be aware of the effects of these outside sources.

Other marketplace concerns to watch for may include: legal issues, market size and growth potential, suppliers and resources, ethical/ moral and environmental issues.

## Step Two: Establish Your Objectives

Now that you've begun to develop profile of your business, it's time to take look at the future. From your research, you'll be able to make decisions about the focus of your marketing plan. Next, you'll need to list and prioritize your objectives. There are some issues to consider when you're establishing these goals:

List and compare your marketing goals for the next year, then five years, with regard to:

- Dollar sales, unit sales, profits
- Market share, customer base/market expansion, and service/product expansion
- Changes within your organization

What are your marketing problems? Rank them in order of urgency.

1. What opportunities/obstacles will you face during the next five years?
2. What will your competitors be doing during the next five years? Will you have more or less competition?

Based on your answers to these questions, you can make decisions about where you want to be (objectives) and how you're going to get there (strategy). Your objectives will keep you focused, and even more importantly, they will give you way to measure the success of your efforts.

Your objectives will guide the development of your marketing plan. Your decisions from here on out are based on achieving these goals. Since these decisions will have dramatic effect on your company's human and financial resources, make your objectives realistic.

There are variables that will impact your marketing plan, hard look at these factors will enable you to make realistic decisions about your plan of attack. These variables may or may not include:

- Budget limitations
- Limited knowledge of marketing vehicles
- Climate of your marketplace
- Perceptions about your business

Unfortunately, many marketing plans are driven by budget constraints. There may be no way around these limitations, but if you realize what you can and can't afford, at least you won't end up making unrealistic choices.

## Step Three: Determining Your Marketing Mix

Your search for information should encompass the Four P's of Marketing: **Product/Service, Price, Place, and Promotion**. These tools must work in conjunction with each other in order for your marketing strategy to be effective. For example, let's say you're veterinarian. No matter how good your treatments are (Product/ Service), how reasonable your fees are (Price), how convenient your location is (Place), and no one is going to bring their dog to you if they've never heard of you (Promotion). Or pretend you're an attorney. No matter how reasonable your percentage is (Price), how beautiful your office is (Place), how extensive your ad campaigns are (Promotion), and no one is going to hire you if you've never won case (Product/Service).

We would like to add fifth "P" to this marketing mix: **Positioning**. Positioning is what sets you apart from the competition and establishing an effective position is the single most important task of any business owner. Your position can be based on service, price, convenience or image, as long as you have your own niche.

To be sure your "P's" are in working order, consider marketing audit, included on page 13 is list of questions that will yield tremendous amount of information about your business. This marketing audit will not only help you complete your research, it will point out specific problem areas that may need in-depth attention, and it will illustrate the strengths that may form the foundation of your long-range marketing plan.

## Step Four: Strategy and Execution

Regardless of your objectives, your strategy and execution will be constrained by financial realities. The ideal way to budget is the objective and task method (where spending is based on the amount of money needed to get the job done), but for most of us, this isn't realistic approach. Your budget will narrow the field of possibilities. So, we recommend that you complete your cash flow statement to determine the funds available for your marketing plan. Then, with your objectives ready, your marketing mix in place, and your budget established, you'll be ready to develop your strategy.

The two major areas to consider are advertising and public relations: generally, mix of the two is recommended. Don't be overwhelmed by your choices and don't feel obligated to make big splash (and big investment). There are reams of material on these subjects in libraries, in bookstores, on the web or from trade associations and consultants. Many PR agencies, as well as specialty or "boutique" firms, will work with smaller firms that don't have large advertising budgets. Ask for referrals from other small businesses and for recommendations from business associates and keep your eyes and ears open at business gatherings and networking events for good contacts.

There are many inexpensive and creative methods to get your message across, and you can generally test the effectiveness before making big commitment.

Be sure to include enough funds for marketing (based upon your research) in your cash flow projections and then track the results to make sure that you are spending those scarce marketing dollars effectively.

## Step Five: Prepare Your Written Marketing Plan

Your written marketing plan is comprised of information from all of the steps we've discussed (an outline of marketing plan is included on page 7). There are three reasons to prepare written plan:

1. Your plan will give you and your employees an actual schedule to work from.
2. Your plan will give you criteria by which to measure the success of your strategy.
3. Your plan will provide you with starting point. If your results aren't what you had hoped, you'll be able to go back to your plan and revise it.

Keep your marketing plan as brief and as specific as possible; support your ideas with specific costs and timetables; and revise and update your plan at least once year (or whenever your goals or circumstances change).

## Step Six: Track Your Results

The only way to measure the success of your marketing efforts is to track your results. You need to know and understand your successes and failures if you're going to do better the next time. This research can be conducted in the very same way you conducted your initial research. In fact, this follow-up information will be the basis of your next set of objectives.

Marketing is cyclical process. Just when you think you've finished, it's time to start again. So marketing becomes, and must become, part of your daily business operations. Take a look at the Marketing Audit on page 8 to help organize your assessment of your marketing efforts. When you open your doors in the morning, tune into all of the elements you've learned about in this article: your product/service, your customer, your own company, your competition, and your marketplace. Remind yourself of the objectives currently in place. Consider your advertising options.

Take another look at your written marketing plan. Before you know it, marketing will become just another part of your business day.

To help organize your plan take a look at the following Marketing Plan Outline:

## **Marketing Plan Outline**

### **I. Objectives**

### **II. Research to Support Objectives**

- A. Who are your present and potential customers?
- B. What are your present and potential markets?
- C. Who is and will be your competition?
- D. What marketplace trends will impact your business? How?
- E. How will your service or product change in respond to your research?

### **III. Marketing Mix**

- A. How will you position your product or service?
- B. Will you change any elements of your mix?

### **IV. Strategy and Execution**

- A. Advertising
  - 1. Tactics
  - 2. Budgets
  - 3. Schedule
- B. Public Relations
  - 1. Tactics
  - 2. Budget
  - 3. Schedule
- C. Expert Assistance
  - 1. Agency
  - 2. Independent Designer/Copywriter

### **V. Anticipated Results**

- A. Sales
- B. Customer Base
- C. Profits
- D. Image

### **VI. Tracking Actual Results**

- A. Sales
- B. Customer Base
- C. Profits
- D. Image

### **VII. Final Review of Results with Respect to Objectives**

## Marketing Audit

### Marketing Commitment

- Do you have coordinated marketing program or is your sales department functioning without the support of research, objectives, and strategy?
- Are you using the computer as marketing tool and do your employees understand its capabilities?
- Do you implement marketing plan and measure its performance?

### Service/product

- How will customer demands and trends affect your business?
- Have you investigated possible advantages that would result from new materials or technology?
- Do you have packages or brochures that can effectively sell the services or products they represent?
- Is your level of customer service adequate?
- How are your quality and reliability viewed by customers?

### Customer

- Who are your current and potential customers?
- How do they compare to those of your competitors?
- Why do people buy your service or product?
- What motivates their preferences?
- What is the frequency and quantity of use?

### Markets

- Have you defined and identified major segments of your marketplace?
- Have you overlooked any small but profitable groups?
- Are the markets for your service or product expanding or declining?

### Competition

- Who are your principal competitors?
- How are they positioned?
- Where are they headed?
- What are their market shares?
- What features of their services and/or products stand out?
- What are their strengths and weaknesses?

## Sales

- Do you know where your best sales are coming from?
- Which customers? Which segments?
- Are there unusual cycles or seasons in your business?
- Are there growth and profit trends reflected in your sales figures?
- Have you designed paperwork and/or computer programs to provide sales data and analyses?
- Are there deficiencies in the selection, training, motivation, performance, or compensation of your sales force?

## Pricing

- Are your price policies set to produce volume or profit?
- How does your pricing compare with the competition?
- Do you know the profitability of each service or product?
- Does your customer know?
- Can your service or product support the costs of advertising?
- Do you have pricing problems to overcome?

## Service

- Do your customers receive efficient, timely service?
- Is your service or product delivered in good condition?
- How does your service performance compare with the competition?

## Advertising

- Do you have an advertising plan?
- If so, how is it linked to your marketing plan?
- What are the objectives of your advertising?
- How do you measure the results?
- Is your advertising budget realistic?

## Public Relations

- Do you have clear idea of what you would like your public image to be?
- Do you really know what your public image is, or are your impressions of your image based on few customer letters or the opinions of friends?
- Does your company name and logo add to or conflict with your image?