

The Marketing Plan

• Definitions

1. A marketing plan is a comprehensive blueprint which outlines an organization's overall marketing efforts (Wikipedia, 2015).

2. Product specific, market specific, or company-wide plan that describes activities involved in achieving specific marketing objectives within a set timeframe (Business dictionary, 2015).

3. A marketing plan is a business document written for the purpose of describing the current market position of a business and its marketing strategy for the period covered by the marketing plan. Marketing plans usually cover a period of one to five years.

4. A marketing plan is a written statement of the marketing goals and strategies for a particular firm, department or product. It generally states the marketing goals that are to be achieved within a certain time period and the strategies that will be used (Mason et al. 1995).

• Need and importance

Manufacturers, wholesalers, and all need marketing plans. A company, a department, or even a specific brand cannot hope to succeed simply by putting its products on the market. The company must know what customers want and what competitors are offering. It must develop new products and improve older products. It must seek out new markets for its products. It must also convince customers that these products will meet their needs. A marketing plan is the best way for a company to coordinate its activities and judge its progress. The marketing plan outlines a firm's full marketing strategy for the coming year. It includes who the firm is marketing to, how the firm will market to them, and the strategies the firm will use to connect with customers and attract sales. The goal of the marketing plan is to outline how the firm will present its products and services to the target market.

The marketing plan clearly shows what steps or actions will be taken to achieve the planned goals. For example, a marketing plan might have a strategy to increase the organization's market share by ten percent. The plan would then outline the goals that need to be achieved in order to reach a ten percent increase in market share.

The marketing plan usually identifies the amount of time each goal and strategy will take and the amount of money each will cost. It also includes strategies for measuring the plan's effectiveness. It tries to answer the following questions:

- Where are we?
- Where are we going?
- How are we going to get there?
- How will we know we have arrived?

Some of the benefits gained through the marketing plan are:

1. It enforces an organized approach
2. It develops specificity
3. It ensures consistent relationships
4. It informs everyone in the organization about priorities
5. It helps to obtain resources needed to implement plans
6. It helps to engage organizational support at all levels, from the bottom to the top of the organization
7. It sets objectives and strategies
8. It helps to gain commitment towards goals

- **Elements of a marketing plan**

A sound marketing plan contains the following elements:

I. The executive summary

The marketing plan should open with a short summary of the main goals and recommendations in the plan. It should briefly state the current situation. For example, in the case of a library, it should describe the place of the library within the over-all organization. It should also identify trends which will affect the organization and the library services, as well as those that have direct impact on the service. The summary must state the aims of the plan positively. It aims to introduce a business plan which will use a substantial part of the organization's resources in its implementation. It needs to convince its audience that based on sound information and well-thought decisions, the plan presented will have a good chance of enhancing the efficiency and strengths of the organization. It should include key issues. The executive summary helps top management to find the plan's central points quickly.

2. The mission statement

A mission statement is a strong, clear declaration of an organization's beliefs about its own nature and distinctive competence. It is vital to the success of a company as a whole. It can unify a company and push them to new heights. It usually provides a lighthouse that the company can look back to when the company loses track of itself. When there is a mission statement to refer to, generally companies can maintain their track and avoid losing sight of what their core competencies actually are.

In this section of the marketing plan, only the relevant elements of the over-all mission statement of the organization need to be mentioned. For example, if there are international, national, regional and local issues for the organization, but the organization's services support only the local dimension, then focus on that element.

The relevant elements of the organization's mission need to be expressed here clearly because all that follows stems from that generating force.

3. The environmental analysis

The monitoring of PEST (political, economic, social, technological) variables should be a continual and essential part of the marketing system. It is called a PEST analysis. A PEST analysis is an analysis of the political, economic, social and technological factors in the

external environment of an organization, which can affect its activities and performance. The aim of doing PEST analysis is to:

- find out the current external factors affecting an organization;
- identify the external factors that may change in the future;
- exploit the changes (opportunities) or defend against them (threats) better than competitors would do.

Here in the marketing plan, the influence from political, economic, social and technological spheres do not need lengthy explanation or analysis. Rather, what needs to be presented is the trend evidence that has led to the strategic decisions.

4. The SWOT analysis

The SWOT analysis section draws from the market audit. The SWOT analysis involves examining the internal strengths (S) and weaknesses (W) of a business and external opportunities (O) and threats (T). It is a brief list of the critical success factors in the market, and rates strengths and weaknesses against the competition.

It should identify the key issues that the marketing plan will address. Since the plan is a realistic appraisal of what might be achieved, fundamental strengths and weaknesses must be identified. The SWOT analysis should include costs and other non-marketing variables. If plans depend upon assumptions about the market, the economy or the competition, they need to be explicit.

5. Objectives

Having studied the strengths, weaknesses, opportunities and threats, the company sets objectives. In large firms, the board of directors and chief executive generally sets the objectives. They usually base their decisions on the marketing staff's advice and suggestions. The objectives are goals that the company would like to attain during the plan's term. For example, the manager might want to achieve a 15 percent market share, a 20 percent pre-tax profit on sales and a 25 percent pre-tax profit on investment. If current market share is only 10 percent, the question needs answering: Where are the

extra sales to come from? From the competition, by increasing usage rate, by adding and so on?

6. Marketing Strategy

In this section of the marketing plan, the manager outlines the broad marketing strategy or 'game plan' for attaining the objectives. Marketing strategy is the marketing logic by which the business unit hopes to achieve its marketing objectives. It details the tasks and duties of the individuals or departments involved in the marketing effort, and explains how each will contribute to the company's objectives. It shows how strategies for target markets and positioning build upon the firm's differential advantages. It should detail the market segments on which the company will focus. These segments differ in their needs and wants, responses to marketing, and profitability. The company should put its effort into those market segments it can best serve from a competitive point of view. It should develop a marketing strategy for each targeted segment. Like objectives, strategies should have a completion schedule.

7. Marketing mix

The manager should also outline specific strategies for such marketing mix elements in each target market: new products, field sales, advertising, sales promotion, prices and distribution. The manager should explain how each strategy responds to the threats, opportunities and critical issues described earlier in the plan.

8. Evaluation

Marketing objectives and strategies can quickly go out of date. Thus, most companies periodically evaluate their marketing efforts as outlined in the marketing plan. In this process they can assess the performance of their company and staff. Objectives and strategies can be adjusted or changed and mistakes can be corrected. Evaluation must be well planned, carried out as an on-going activity and the findings must be used as a tool for improving effectiveness. Evaluation methods are tied in with a need for market research. Are the objectives being reached?, is the plan being implemented fully?, have external factors caused it to be amended?, how effective has it been? How do you intend to check all these?

It is important to ensure that evaluation is built into the structure of the plan's proposed implementation. The plan should be flexible enough to accommodate change, if needed, at evaluation stages. The method of evaluation needs to be accompanied by an indication of reporting procedures and consequent actions, i.e., who is to receive the information and what decision making is needed as a consequence.

9. The budget

Action plans allow the manager to make a supporting marketing budget that is essentially a projected profit and loss statement. For revenues, it shows the forecast unit sales and the average net price. On the expense side, it shows the cost of production, physical distribution and marketing. The difference is the projected profit. Higher management will review the budget and either approve or modify it. Once approved, the budget is the basis for materials buying, production, scheduling, personnel planning and marketing operations. Budgeting can be very difficult and budgeting methods range from simple 'rules of thumb' to complex computer models.

10. The timetable

This section includes the time period required to complete the marketing activities. The timetabling should continually check that there is no clash with another activity at crucial points of the plan, whether in the planning stages, implementation or promotion. Peak periods for financial planning, printing, staff holidays, national or religious festivals, can all affect the best-laid plans (Kotler et al., 1999; Armstrong et al. 2017).

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References

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- Armstrong, G., Kotler, P., Trifts, V. & Buchwitz, L. A., 2017. Marketing: an introduction, Toronto: Pearson.
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