**Business Plan: Marketing And Sales**

The marketing and sales plan explains what your marketing strategy is, how you will execute it and how you will ultimately generate sales. It addresses concerns such as how you will convey your service or product's features, benefits and uniqueness; how you will entice potential customers to buy your product or service; and how you will develop customer loyalty that will generate repeat business and referrals.

Your marketing and sales plan should also demonstrate a thorough understanding of your target market as gained from both primary and secondary sources. Primary sources include any market research your business conducts, such as interviews, surveys, focus groups and market testing. Secondary sources include data and publications produced by trade and industry groups, government agencies, chambers of commerce, merchants associations and so on. Like the industry analysis, the marketing and sales plan is research-intensive. (To understand the qualities that make for a great company, investors must dig deep into "soft" metrics. See Qualitative Analysis: What Makes A Company Great? for more)

Your marketing plan isn't just a document for potential lenders and investors. It's a key tool in your business's money-making strategy. Even if you weren't looking for financing, you would need a marketing plan. Let's delve into the detailed information you'll want to include.

**Devise Your Direction and Image**

What is your business's ultimate goal? Investors will be curious about your long-term plans. Do you just want to have just one very successful store, or do you hope to expand to all 50 states?

What is your business's mission statement? If you look at the corporate websites of Fortune 500 companies, you'll notice that they tend to have mission statements (or something similar). For example, Coca-Cola's mission statement in its "2020 Vision" is:

To refresh the world ...

To inspire moments of optimism and happiness ...

To create value and make a difference

Coca-Cola then elaborates on this simple mission statement by explaining its vision, culture, values and more. Your business plan should do the same. In fact, the "about us" and "company profile" sections of corporate websites can be great sources of inspiration when writing your business plan.

What slogan will you use to convey the primary benefit(s) of your product or service? For example, in 2011 Wal-Mart encapsulated the advantages consumers gain by shopping at its stores with a simple phrase: "Save Money. Live Better." Competitor Target's slogan is "Expect More. Pay Less." A slogan like the one McDonald's uses - "I'm Lovin' It" - doesn't describe the business in any way, and might not be the best choice for your new company.

**Branding**

How will you brand your company? Think about what kind of image you want to project and how this image will help you connect with your target audience. Include a picture of your company's logo and any other visuals that convey your company's image. These include your business's website, interior and exterior shots of your store, photos of your product and the way it is packaged, the uniforms your employees will wear and anything else that you will use to convey your business's brand. (For related reading, see 10 Breakout Ideas For Small Businesses.)

**Marketing**

Your marketing plan must define your target market, and it must be very specific in doing so. You aren't likely to be taken seriously if you define the target market for your grocery store as "All people, because everyone needs to eat." While it's true that everyone needs to eat, you'll need a more in-depth answer to this question, one that reflects your business's unique features and benefits. A good target market description provides detailed demographic and psychographic descriptions of your potential customers.

What methods of marketing will you use to reach your target customers? For example, how and where will you advertise? What promotions or giveaways will you offer? What makes these marketing methods the best ones for conveying the unique features and benefits of your product and for reaching your target market?

How much will it cost? Break down your marketing budget and be specific. You might write, for example, "We anticipate spending $40,000 on marketing over the first year. $10,000 will be spent on training employees to be extremely knowledgeable about our products to increase customer confidence in our brand and drive sales. $10,000 will be spent on professional public relations services. $20,000 will be spent mailing two-page color flyers every two weeks to customers who live within a five-mile radius of the store."

Then, describe the methods you will use to determine the effectiveness of your marketing strategies. For example, "The color flyers will contain a coupon for $5 off a purchase of $50. The number of customers that bring in the coupon will show us how many people read the flier and act on the special offer." You will also need to project what return on investment your marketing plan might realistically produce. (If you have a promising business that needs a boost, you may be able to put your faith in these wealthy investors. See When Your Business Needs Money: Angel Investors.)

**Understand the Competition**

Where do your potential customers currently obtain the product or service you are selling? What strengths and weaknesses do those businesses exhibit? How will you offer a superior product or service?

Let's say that currently, your potential customers are only able to obtain local foods by shopping at the farmer's market - which is only open for four hours, once a week - or through a community-sponsored agriculture (CSA) program, which makes people commit to buying a certain amount of produce each month and doesn't let them choose what they'll be eating. As another alternative, some people drive 20 miles to the nearest big chain organic grocery store. Many people like shopping at the farmers market because they get to meet the people who produce their food and interact with members of their community. Others like the CSA program because they no longer have to think about shopping for produce. And the big chain store offers a great selection.

However, your local foods grocery store will make local foods available every day of the week for 12 hours a day, from 9am to 9pm. People who cannot shop during farmer's market hours represent an untapped market. You can also steal market share from the people who make the long drive to the big chain organic grocery store by offering a much more convenient location. Furthermore, you will offer a wider variety than is available through either the farmer's market or the CSA program, and unlike the CSA program, your store will not require customers to commit to spending a certain amount of money each month and will give them greater choice in the produce they eat. You will also host community events and "meet the farmer" days to foster the same sense of community provided by farmers' markets and CSAs. (Check out Which Is Better: Dominance Or Innovation?)

Don't commit the common mistake of claiming that your product or service is so unique that it has no competition.

**Make the Sale**

What sales strategies will you use to make your marketing plan pay off? The best marketing plan in the world is all for naught if you can't close the sale. If you send out flyers that get people to come to your store, what customers find when they arrive is what will ultimately make or break your sales. How products are displayed, how your store is organized, how your employees behave, how much they know about the products and numerous other factors - all within your control - will comprise your sales strategy and should be discussed in your plan.

Another big point to hit is how you will price your product or service. What will make this price appealing and worthwhile to consumers and profitable to your business? How does it compare to your competitors' pricing strategy? What profit margin do you anticipate on your major products? (If an economic storm has your business taking on water, we provide tips for bailing yourself out. Check out Keeping A Small Business Afloat and 9 Tips For Growing A Successful Business.)

Essentially, your marketing and sales plan describes how you will convey to your customers what's in it for them and then get them to actually purchase your product or service. Professional help, if you can afford it, can help you prepare a better marketing and sales plan, especially if you are inexperienced.