



Developing a Marketing Plan



Develop a strategic marketing plan to successfully grow your business and increase profits



Learning Objectives

- At the end of this module, you will be able to:
 - Understand the importance and need for a good marketing plan.
 - List the key components of a marketing plan and its details.
 - Develop your own strategic marketing plan.
 - Track your marketing plan in tandem with your overall business plan.

The logo of the Federal Deposit Insurance Corporation (FDIC) is located in the top left corner. It features a circular emblem with the text "FEDERAL DEPOSIT INSURANCE CORPORATION" around the perimeter and the year "1933" in the center. The emblem is set against a blue background with a subtle pattern.

About FDIC Small Business Resource Effort

- The Federal Deposit Insurance Corporation (FDIC) recognizes the important contributions made by small, veteran, and minority and women-owned businesses to our economy. For that reason, we strive to provide small businesses with opportunities to contract with the FDIC. In furtherance of this goal, the FDIC has initiated the FDIC Small Business Resource Effort to assist the small vendors that provide products, services, and solutions to the FDIC.
- The objective of the Small Business Resource Effort is to provide information and the tools small vendors need to become better positioned to compete for contracts and subcontracts at the FDIC. To achieve this objective, the Small Business Resource Effort references outside resources critical for qualified vendors, leverages technology to provide education according to perceived needs, and offers connectivity through resourcing, accessibility, counseling, coaching, and guidance where applicable.
- This product was developed by the FDIC Office of Minority and Women Inclusion (OMWI). OMWI has responsibility for oversight of the Small Business Resource Effort.



Executive Summary

- A marketing plan:
 - Is part of a business plan and is the foundation for identifying your market, attracting prospects, converting them into customers, and retaining them as customers.
 - Usually operates at two levels, strategic and tactical. Strategic to identify the overall market play and tactical to execute on the marketing plan.
 - Does not need to be long or expensive to put together. If it is carefully researched, thoughtfully considered, and evaluated, it will help your firm set goals, implement strategies, and measure results.
- Leaving business decisions to chance or intuition can be far more costly than taking the time to develop a marketing plan.



A Good Marketing Plan

- A good marketing plan details what you want to accomplish and helps you meet your objectives. It should:
 - Explain (from an internal perspective) the impact and results of past marketing decisions.
 - Explain the target market in which your business is competing.
 - Set goals and provide direction for future marketing efforts that are attainable.
 - Set clear, realistic, and measurable targets.
 - Include deadlines for meeting those targets.
 - Provide a budget for all marketing activities.
 - Specify accountability and measures for all activities.
 - Be a fluid document that is used, maintained, and updated as your business grows and succeeds.



Overall Planning Process *(Slide 1 of 3)*

- Initial planning and preparation will help minimize the stress in developing a well-structured marketing plan. Gathering the following:
 - **Situational Analysis / Market Research:**
 - Assess market trends. Is the market affected by seasons or other factors?
 - Profile your ideal customer (demographics, size, location, needs, industry, etc.).
 - Determine what current product sales are.
 - Identify potential vendors and calculate the costs of buying their supplies.
 - Describe strengths, weaknesses, opportunities, and threats your business faces (SWOT Analysis).
 - **Target Market:** Identify and understand your market niche.
 - **Positioning:** Identify how you want your customer to think about you.
 - **Product:**
 - Describe your product or service, its uses, who uses it, who needs it, and what is currently used if they don't use your product.
 - Define your value proposition.



Overall Planning Process *(Slide 2 of 3)*

- **Competition:** Conduct competitive analysis, including their marketing efforts. Determine what differentiates your product or service from competitors.
- **Mission Statement:** Define your corporate mission, vision, and objectives/priorities.
- **Marketing Strategies and Methods:**
 - Create your messaging, including taglines, product descriptions, and call to action plan, e.g. Direct the prospect to contact you or go to your web site).
 - Determine how you will promote your product: Networking, advertising, submitting responses to Request for Proposals (RFPs), social networking sites, web site, phone calls, email blasts, etc.
 - Consider creating brochures, flyers, press releases, or other printed material.
 - Decide if and how you will utilize sales people (internal or contract).
 - Create brand awareness by promoting your product and distinguishing it from competitors.



Overall Planning Process *(Slide 3 of 3)*

– Pricing:

- Research competitor pricing.
- Determine your cost of doing business and how much you should charge to break-even and be profitable (return on investment (ROI)).

– Budget:

- Determine what your marketing strategies will cost (one-time or recurring charge).
- Determine what you can do yourself to lower costs and what should be outsourced. Be careful not to decrease your product's value by not utilizing professional services, e.g., graphic artists, web developers, etc.

– Marketing Goals:

- Determine how many prospects you will contact daily, weekly, and monthly.
- Commit to attending networking functions.

– Monitor Results:

- Define measurements for your marketing strategies.
- Track sales, leads, visitors to your web site, percent of sales to impressions, etc.



The Marketing Challenge

- Ask yourself these five critical questions:
 1. What is unique about your business idea? What is the general need that your product or service aims to meet?
 2. Who is your target buyer? Who buys your product or service now, and who do you really want to sell to?
 3. Who are your competitors? How can your small business effectively compete in your chosen market?
 4. What positioning message do you want to communicate to your target buyers? How can you position your business or product to let people know about your product?
 5. What is your marketing strategy? How will you get your product or service in the hands of your customers?



The 10 Elements of a Good Marketing Plan

- A good marketing plan includes these 10 elements:
 1. Business Description
 2. Market Research and Analysis
 3. Pricing Analysis
 4. Customer Profiling
 5. Competitive Analysis
 6. Marketing Goals and Objectives
 7. Marketing Strategies
 8. Marketing Methods
 9. Marketing Budget
 10. Success Measurements



1. Business Description

- Describe your business':
 - Mission statement, corporate vision, and strategic intent.
 - Long-term goals and objectives, e.g., profit, ROI, market share, expanding reach into existing set of core customers, or expansion into new markets.
 - Organization:
 - Key personnel.
 - Team overview.
 - Organizational chart.
 - Products and/or services:
 - Value proposition, including the problem your product is solving for customers or the needs your product provides.
 - Key differentiators.
 - Sales trends and profitability (years, seasonality, share of major brands).
 - Pricing overview.
 - Branding.
 - Growth opportunities.
 - Target market.



2. Market Research and Analysis *(Slide 1 of 2)*

- Gaining information about your target market and key factors that influence customers' buying decisions is typically one of the following:
 - Quantitative Research: Statistical and uses mathematical analysis.
 - Qualitative Research: Identifies key issues from collected data.
- Generally, market research includes:
 - Identifying and testing potential target markets.
 - Determining ideal customer profile and demographics for your products.
 - Determining market influences on timing, pricing, service, etc.
 - Gauging economy and buyer confidence.
 - Conducting competitive analysis.
 - Testing perceptions towards brands, companies, images, packaging.
 - Measuring customer satisfaction and benchmarking satisfaction against competitors.
 - Capturing key criteria for your SWOT analysis.



2. Market Research and Analysis *(Slide 2 of 2)*

- A situation analysis considers internal and external factors that could influence your marketing strategy. Analyzing your strengths, weaknesses, opportunities, and threats (SWOT analysis) is simple, yet powerful, and will help you develop your goals and marketing strategies.
 - **Strengths** (Internal): Positive attributes, tangible and intangible, internal to your business that are within your control. What do you do well? What advantages do you have over your competition?
 - **Weaknesses** (Internal): Factors within your control that detract from your ability to obtain or maintain a competitive edge, such as lack of expertise, limited resources, inferior service offerings, or the poor business location.
 - **Opportunities** (External): Reasons your business exists and prospers and reflect the potential you can realize through implementing your marketing strategies.
 - **Threats** (External): Factors beyond your control that could place business at risk and may lead to deteriorating revenues or profits, such as competition, price increases by suppliers, economic downturns, or a shift in consumer behavior.



3. Pricing Analysis

- Determining the price you want for your product or service can be challenging if you don't have some historical price and demand data. Ways to determine your price include:
 - What is your cost of doing business?
 - What is the cost to manufacture your product?
 - What is your break-even point?
 - What amount do you need to charge to be profitable?
 - What amount are customers willing to pay?
 - What are competitors charging?



4. Customer Profiling

- Defining your ideal customer shouldn't be a difficult process. You do not need serve everyone, but your customers' needs should be well-defined.
 - What is your current customer base (age, sex, income, and geographic location)?
 - What habits do your customers and prospects share? Where do they shop, what do they read, watch, or listen to?
 - Which prospects are you currently not reaching? How can you reach them?
 - What qualities do your customers value most about your product or service? Do they value selection, convenience, service, reliability, availability, or affordability?
 - Would you attract more customers if you
 - What qualities do prospects want you to change about your product or service? What are the advantages and consequences for modifying your product?



5. Competitive Analysis

- It's not difficult to identify your competitors. However, it may be challenging to compile complete data. You may be successful by:
 - Visiting their location (if possible).
 - Browsing their website.
 - Talking to their customers.
- Competitive analysis should include:
 - Who are your major competitors and what are their products, pricing, and strengths and weaknesses?
 - How much do they spend on brand positioning, advertising, and promotional sales? How else do they reach customers?
 - Do they have new or improved products?
 - Have they entered new markets or territories?
 - What benefits or value do competitor products offer their customers?
 - How do your products differ from competitors?



6. Marketing Goals and Objectives

- The terms “goals” and “objectives” are typically used interchangeable, but there is a distinct difference:
 - Goals: Statements that provide marketing direction and are in-line with the company’s overall direction. If goals are too broad, they may be less effective.
 - Objectives: Specific and measurable actions or methods of achieving the company’s goals. These are usually described in quantitative terms: Sales dollars, units sold, market share, etc.
- Use “SMART” to develop well-defined goals and measurable objectives:
 - Specific: Well-defined, actionable goals.
 - Measurable: Turns a goal into an objective with measurable results.
 - Attainable: Set goals that are within reach.
 - Relevant: Consider current market/economic conditions when developing goals.
 - Time-Based: Set a timeframe for achieving your goals.



7. Marketing Strategies

- Once you've defined your marketing goals and objectives, you need to develop a marketing strategy or idea on how you put your goal into action to achieve profitable success. A basic example includes:
 - Goal: Gain 10% more customers within the next 12 months.
 - Strategy: Change the color of your product's packaging to make it more appealing and entice customers to choose it.
- Marketing strategies are generally concerned with four Ps: Product, Pricing, Promotion, and Placement.
 - Product: What is the right product or product improvement?
 - Pricing: What is your price? Is it in line with current economic conditions and/or competitors? Does it support your product positioning?
 - Promotional: How can we gain more publicity or increase awareness?
 - Placement: Are we targeting the right customer base at the right locations?



8. Marketing Methods

- Part of the challenge of marketing is determining which distribution method and placement strategy to use for your business.
 - **Retail:** Stores selling directly to customer.
 - **Wholesale:** Selling to a distributor that sells to retail stores or the customer.
 - **Direct or Print Mail:** Generally catalog merchants that sell directly to customer.
 - **Telemarketing:** Merchants sell directly to customers at retail via phones.
 - **Internet Marketing:** Merchants sell directly to buyers at retail prices, or business-to-business products and services at wholesale prices via the Internet. This also includes social media, such as Twitter, Facebook, LinkedIn, etc.
 - **Sales Force:** Salaried employees or independent commissioned representatives sell products directly to the customer.
 - **Advertising:** Internet ads, magazines, sponsorships.
 - **Networking:** This includes tradeshow, joining industry organizations, attending industry breakfasts/luncheons.



9. Marketing Budget *(Slide 1 of 3)*

- Small and mid-sized businesses often arbitrarily set marketing budgets as either “x” percent of revenue or “y” percent over the prior year's budget.
- The SMART goals you developed will help you create a targeted budget.
- Each marketing line item you plan to use should have a budget.
- Your budget should be defined, but flexible. If a particular strategy is extremely successful, temporarily increase the budget. Temporary success may be seasonal and may not warrant an extensive or long-term increase.
- If a particular strategy is not successful, consider documenting your findings in an appendix for lessons-learned. Refer to this information when you update your marketing plan and budget in the future.
- Your income and expenses should be calculated to help determine how much you can spend on marketing.
- Research costs associated with your strategies, e.g., printing, postage, etc.



9. Marketing Budget *(Slide 2 of 3)*

- Tie sales/revenue forecasting with your marketing budget to increase your chances of success by:
 - Calculating the amount or number of goods you need to sell in a fiscal year in order to be profitable.
 - Creating marketing goals and strategies that will enable you to reach your sales/revenue forecasts.
 - Defining the budget for these marketing goals and strategies. If there isn't enough money left to implement these strategies, it may be an indication that your revenue forecast is set too high or your marketing budget is set too low.
 - Developing measurable results (SMART) for marketing activities will help you understand what's working and what may need to be modified.



9. Marketing Budget *(Slide 3 of 3)*

- Determine marketing line items by answering these questions:
 - What previous marketing methods have been most effective?
 - What are your costs compared to sales?
 - What is your cost per customer?
 - What marketing methods will you use to attract new customers?
 - What percentage of profits can you allocate to your marketing campaign?
 - What marketing tools (i.e. - newspapers, magazines, Internet, social media, direct mail, telemarketing, event sponsorships) can you implement within your budget?
 - What methods are you using to test your marketing ideas?
 - What methods are you using to measure results of your marketing campaign?



10. Success Measurements

- Measuring your marketing efforts will help you determine which strategies are working and which are not. Creating detailed metrics will help you understand, control, and improve your business' success.
- Measuring some aspects of your marketing activities will be challenging. For instance, measuring the success of a brochure may not be possible unless it was part of a larger campaign.
- Common ways marketing efforts are measured include:
 - Sales: How many products did you sale? How many proposals did you submit and how many did you win? What were your projected and actual sales?
 - Return on Investment: How much profit did you receive after deducting expenses?
 - Web Site: How many people clicked on your web page? Did more click on your web site after you placed a magazine ad? How many requested additional information? How many became leads? How many became new customers?
 - Customer Satisfaction: Are your customers satisfied with your products? Do they have brand loyalty? Are they repeat customers?
 - Phone Calls or Presentations: How many did you make in a week, month, quarter, and year? How many did it take to lead to a customer?



Key Takeaways from This Module

- Every business has marketing challenges and opportunities.
- A marketing plan:
 - Allows you to analyze your current situation, describe your business, and define your customer base.
 - Helps you to strategize your market entry, identify your marketing strategies, and integrate your marketing methods for maximum efficiency.
 - Gives you a means of evaluating your progress.



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