



A GUIDE TO DEVELOPING A MARKETING PLAN

The key elements to a marketing plan

Every business should have a marketing plan and this guide is an overview on how to develop a marketing plan for your business

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Introduction

One of the most effective ways for a small business to survive and thrive, especially in increasingly competitive times, is to focus on its marketing efforts.

You must ensure that your marketing efforts are focused on getting plenty of new customers coming in to your business, lots of inactive customers coming back and all your current customers buying more. An effective marketing plan will drive your business towards achieving these objectives. It will allow you to take advantage of all the know-how, thinking and under-utilised assets that you own but are not fully exploiting.

Your plan will identify all the tactics and actions needed to achieve your marketing objectives, with a timetable for implementation. In other words, your marketing plan will describe in detail how you will set about achieving your sales and marketing targets. Most small businesses don't have a marketing plan, but by creating and implementing one your business will gain a unique opportunity to stand out above the competition.

This factsheet explains how to write a marketing plan, what you should include in your plan and how to monitor and review your marketing performance. It contains useful hints and tips, as well as sources of further information.

The key elements of a marketing plan

Every marketing plan will be different depending on your individual business situation and strategy. However, the key to marketing a business and being successful in a chosen market or particular niche is to implement a plan aiming to achieve strategies under one or more of the following categories:

- Attracting more customers.
- Increasing the average sale amount.
- Making your customers buy from you more often.
- Keeping your customers for life.

You don't have to write a book to produce a marketing plan, and you shouldn't be concerned with writing style or making your plan too complicated. The shorter and clearer it is the better, so that everyone can understand it. In fact, almost any marketing plan can be produced using eight simple steps.

Step 1 - Defining your market

Your marketing plan should provide detailed information about your understanding of the market or target audience at which you are aiming your product or service. Many small business owners make a big mistake by starting with a product or service they believe is fashionable without first considering and understanding who will buy it.

You cannot sell something to people who don't want it - it's that simple. A profitable market consists of people who genuinely have a need for your solution and will jump at the chance to buy it when you offer it to them.

Your plan should provide answers to the following questions about your target audience:

- Are there segments in your market that are currently under-served?
- Are the segments you are aiming at big enough for you to make money?
- How much market share do you need to capture just to break even?
- Does the market already have too much competition?
- Have you spotted any weaknesses in your competitors - and can you capitalise on this?
- Does your target audience really want your product or service, and what value do they place on your unique competitive offering?

Step 2 - Understanding your customers

Knowing your customers intimately is the key first step to effective marketing. To prepare a marketing plan you must know exactly:

- Who your customers are.
- What they want.
- What will motivate them to buy from you.

To help you really get to know your customers your marketing plan should provide answers to the following questions:

- How do your potential customers normally buy similar products?
- What are the demographic characteristics of your target customers, in terms of age, ethnicity, gender and so on?

- Who is the primary buyer and who has the primary influence in the purchasing process? These may not always be the same person (husband or wife, purchasing agent, project manager, company director, secretary).
- What kind of habits do your target customers have? For example, where do they get the information to help them make decisions? (Television, newspapers, specialist magazines, Internet.)
- What are the main emotional motivators that will make someone buy your product or service? (Looking good, feeling smart, avoiding pain, saving money, being healthy and being popular.)

Step 3 - Identifying your market niche

For most small businesses, the best marketing plans concentrate on supplying products and services to customer groups that fit the lifestyle (psychographic) and demographic (such as age, gender, occupation or income) profiles of your target market.

In other words, if you define your market as everybody and anybody then you are likely to end up selling to nobody - jumping up and down in a small puddle is far more effective than trying to make a splash in a large ocean.

Your marketing plan should outline how you will carve out your specific niche and how you aim to dominate it. By defining the niche and narrowing your market focus, you will not only find your product or service becoming more desirable, but also that your name and brand spread more

rapidly. It will also become easier and cheaper to contact potential customers and you will almost certainly face less competition.

Step 4 - Developing your marketing message

Once you have identified your target market audience and profiled your niche customers, you will need to focus on developing your marketing message. This should explain what your product offers and persuade people to become your customers.

There are generally two types of marketing message. One is short, to the point and often referred to as the 'elevator speech'. It's your once-in-a-lifetime opportunity to be with someone important who asks you 'What do you do?' and you have 30 seconds to make your pitch.

The second type is the complete marketing message and your plan should develop this type of message and identify everywhere that it's going to be used.

This type of marketing message needs to be compelling and persuasive and should include the following elements:

- An explanation of your target customers' problem.
- Proof that this problem is important and that it should be solved without delay.
- An explanation of why you are the only business that can solve the problem.
- An explanation of the benefits people will get by using your solution.

- Examples and testimonials of satisfied customers who have used your service.
- An explanation of prices and payment terms.
- Your unconditional guarantee.

Step 5 - Defining your marketing medium

This is a crucial part of your marketing plan and will define the methods and media you will use to ensure your message reaches the target audience. It should identify exactly how you will sell your product or service.

Your marketing medium is the communication vehicle that you will use to deliver your marketing message. The best medium for you will be the one that reaches most people in your niche at the lowest possible cost. The following is a selection of different types of marketing media you can use to get your message out:

- Newspaper, magazine, e-zine, TV and radio adverts.
- Online advertising in directories and search engines.
- Posters and billboards.
- Competitions.
- Seminars and talks.
- Leaflet drops.
- Trade shows.
- Yellow Pages.
- Press articles and advertorials.
- Classified advertisements.
- Charity events.

- Networking.
- Telemarketing.
- Sales letters.
- Flyers and brochures.
- E-mail.
- Postcards.
- Sales agents.
- Press releases.
- Gift vouchers.
- Word of mouth.
- Website links.
- Business cards.
- Catalogues.
- Window displays.

Step 6 - Choosing your route to market

Your route to market will largely depend on the type of product or service you are sell and the target market you are trying to reach.

For example, you may choose to sell by mail order, via the Internet, through distributors or sales agents or direct to customers. You must be very clear in your plan about how and why you choose your particular market route and what alternative you will use if your initial route does not produce the results you expect.

Step 7 - Setting sales and marketing targets

Goals are critical to marketing success and these should be realistic and specific. If you haven't written down your goals and targets in your

marketing plan then you are simply wishing for success instead of aiming for it.

Ensure that your goals and objectives use the SMART formula:

- Specific.
- Measurable.
- Achievable.
- Realistic.
- Time-defined.

These goals should include financial values in terms of volume of sales, monthly and annual revenues, profit targets and sales per salesperson. You can also include targets such as enquiry levels, sales conversion rates, website traffic generated, contracts won, press releases and articles published.

Once these targets are set your marketing plan should indicate how and when you will review and adjust them.

Step 8 - Setting your marketing budget and timetable

Your plan should include a realistic budget to allow you to undertake all your desired marketing activity and a timetable for its implementation. You can calculate your budget either using exact figures or an estimate.

If you have been trading for a year or more already you will be able to calculate your 'cost to acquire one customer' or 'cost to sell one product' by dividing your previous year's annual sales and marketing costs by the number of customers you have acquired or units you have sold.

Take this unit cost and multiply it by your sales or customer acquisition goals for the year ahead. This will give you an indication of how much you need to invest to achieve your marketing targets.

Once you have calculated or estimated your budget, you will need to produce a timetable to implement the plan. This timetable will identify:

- Each specific marketing action you will take.
- Who will carry these out.
- A timescale for each activity and when it will start.
- Key events and milestones during the year, such as trade shows and exhibitions.
- When any additional or external resources, such as specialists for PR, graphic design or direct sales, will be needed.

Monitoring and reviewing progress

Once your marketing plan is under way, you will need to monitor and review its progress continually. Ideally you should do this each month. You should also consider possible scenarios, like how to handle responses to particular marketing activities or how to deal with seasonal aspects of your industry.

Additionally, you will need to consider how to manage your marketing plan overall. You must ensure that you don't spend your entire annual budget in the first couple of months. Decide how you will monitor and interpret results and think about how you will adjust the plan or introduce new tactics as you progress.

Hints and tips

- The marketing plan will be one of your most important business documents so make sure you set aside some uninterrupted time to develop it.
- Following the steps in this factsheet will help you create your plan but you must make the effort to study the detail around your proposed marketing media, how appropriate your marketing message is to your target audience and your overall marketing budget.
- To begin with don't worry about writing style or making your plan too complicated or long-winded. In fact, by following the steps described in this factsheet you should be able to create a successful marketing plan in just one day.

Small Business Resources

Add value to your brand by generating catch business and product names like Amazon, Google, Coca Cola, Yahoo, Blackberry and many more using the same business name generator used by top business and product naming companies: <http://www.businessnameidea.com>

Generate more leads, cash flow and profits for your business and pay only based on results. This web site connects small businesses with top traffic web sites like Google, Facebook, Youtube to generate constant flow of traffic and leads: <http://www.intelwebsolutions.com>

Information and tools for small business to help entrepreneurs develop and market their business and ideas: <http://www.2-small-business.com>