

Marketing Planning 101 Workshop



Creating a Winning
Marketing Plan
...The Fundamentals &
More

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Introduction

- "K.I.S.S." ...This program introduces a simplified, straightforward approach to the process of developing and implementing marketing plans.
- It is intended as both an introductory and refresher course for marketing executives.

Workshop Objectives

- To improve your knowledge of the market planning process.
- To give you a set of tools which will help you design, implement and track your marketing plan.
- To give you a better understanding of marketing communications and how to use it in supporting your marketing plan.

What you will learn

- How to write an actionable targeted marketing plan.
- How to develop your expenses and sales budgets.
- How to develop your Marketing communications strategy and Marketing communications mix.

Workshop goal: to make you a marketing guru



Marketing Is Knowing



What the prospect is thinking...

- You don't know me.
- You don't know my company.
- You don't know my company's business.
- You don't know my needs and requirements.
- You don't know where I buy.
- You don't know my buying process.
- Now -- what was it you wanted to sell me?



What is Marketing?

- Marketing is the sum of all activities involved in the chain of moving products from the producer to end-user.
- It includes market research, product and positioning strategy, pricing, packaging, distribution, promotion, sales, etc.
- The purpose of marketing research is to find out who wants or needs your product and under what conditions will they buy it.
- Then marketing strategy can be formulated to meet the needs of the target market.

How do sales and marketing differ?

- Marketing is inclusive of sales and deals with the overall product/service offering - its conception, development, packaging, positioning, pricing, distribution, and promotion (including sales) in the market.
- The sales force, working inside the firm or out in the field, take the product/promotion package and customer information provided by marketing and actually sell the product, either in person, via telephone, or the web.

A marketing plan does the following

- Evaluates firm mission and vision for relevance/currency.
- Checks firm strengths and weaknesses.
- Checks environmental opportunities and threats.
- Focuses on strategic target markets and their underlying needs.
- Sets sales and marketing objectives for chosen segments.
- Defines strategies, tactics and programs.
- Sets sales and expense budgets.
- Assigns marketing functions, responsibilities, and timelines.

Why have a marketing plan?

- A marketing plan provides a stable base from which your company can enter the competitive marketplace.
- Marketing is expensive requiring a great deal of organization and coordination of activities for programs to work.
- To facilitate company wide buy-in, participation and support.
- It serves as a benchmark for establishing concrete objectives, strategies and tactics.
- It's a record for learning.
- It minimizes surprises...you enter the marketplace with your eyes wide open.
- It tells everyone where you are going and prevents second guessing and confusion in the organization

Marketing success depends on...

- Having more knowledge about your customers and prospects than your competition.
- Having a well thought out, actionable plan.

Why have a marketing plan?

To facilitate execution of strategy by the marketing/sales team in order to...

- Increase sales from existing customers
- Acquire new customers
- Find new market opportunities
- Add new strategic partners
- Add new sales channels
 - Resellers and Representatives
 - Value-added Resellers
 - Partners and Co-Branding
 - Joint Ventures

The Market Planning Process



Marketing management process



Steps in process

- Step 1 – analyze opportunities and set objectives
 - The Four "Ps" -- What do you have to offer, etc. ...
 - S.W.O.T.
 - Firm's internal strengths and weaknesses
 - Internal and external environmental factors impacting your business
 - Industry analysis -- Where's the industry going ...
 - Set your marketing objectives.
- Step 2 – define your target market(s)
 - Starting point - successful marketing plans begin with market focus.
 - Consider many segments, but select your primary target markets.
 - The target market defines the market need and product offering.
- Step 3 – set your marketing strategies
 - Target market
 - Target market needs
 - Target market offering

Steps in process (cont'd)

- Step 4 – set your marketing tactics
 - What are you going to offer the target market?
 - What and how are you going to tell the target market about this offer?
 - How are you going to distribute this offer to the target?
 - What will be your pricing strategy?
- Step 5 – define your supporting marketing programs
 - Programs provide the specifics of implementation
- Step 6 – implementation
 - The goal of planning is implementation.
 - The key to implementation is management.
 - To measure the success of a marketing plan, you need to be able to control and track the activities and results of those activities.

Analysis & Segmentation



Identifying
Your Target
Markets

Define your target customers



Foundation of marketing plan

- Market analysis is most difficult to do, but you have to get it right or everything else falls down.
- You need to be specific and you need to narrow your focus to the audience that will be more likely to buy from you...note everybody.
- One way to find out who is likely to buy your product is to look at who has bought from you and your business partners in the past.
- When you're developing a target marketing plan, the question gets down to how finely do you need to target a given market to be effective and that depends on revenue potential and whether you can reach and service that market cost effectively.
- The number of segments you identify is a function of the cost structure of the company, the commonality of demand in the segments for specific products and services, and the number of potential customers in each resulting segment.

Segmenting your market

- Markets can be segmented lots of different ways.
- Differences might be: demographics, psychographics, life-styles, price-sensitivity, service needs, product features, etc.
- The questions you have to ask yourself when developing your plans are:
 - 1) Are the differences identifiable, measurable and a reason for varying the marketing and promotional mix?
 - 2) Do the segments respond differently to variations in the marketing/promotional mix?

Examples of segmentation

- Consumer Markets:
 - Age: Under 18, 18 – 24, 25 - 34, etc.
 - Sex: Males, females
 - Income: Under \$25K, \$25 – 49K, \$50K+, etc.
 - Ethnicity: Caucasian, African, Hispanic, Asian, etc.
 - Purchase history: triers, non-triers, heavy vs. light users, etc.
- Industrial Markets:
 - Product: "PCs, mini computer, main frames..."
 - Industry: "Retail, construction, manufacturing..."
 - Applications: "Financial, CAD/CAM, Facility operations..."
 - Customer: "Accounts, Engineers, IS managers..."
 - Geographic: "U.S., Canada, Mexico..."
 - Combinations of the above

Setting target markets

- Who are they?
- Where are they?
- Do they have sufficient size?
- What do they need?
- How do they buy?
- Can you reach them with your marketing and sales messages?

Market analysis – key components

- Market segment definition
- Company analysis
- Needs and requirements
- Distribution channels
- Competitive forces
- Communications
- Keys to success

Market segmentation definition

- Define the name of the segment.
- Define the universe of potential buyers - market potential.
- Define growth forecast for total potential customers in the segment.
- Define the average transaction value of sale and/or average sales per year.

Company analysis

- What are your strengths?
- What are your weaknesses?
- What are your company's objectives as they relate to this target market?

Market needs and requirements

- Why do they need your product or service?
- What is going to make them buy?

Distribution channels

- Where do the customers go to fill their needs and requirements?
- What is the channel of distribution for this customer segment?
- How are they different than for other segments?

Competitive forces

- What is the buying process for these customers?
- What are the key decision factors that make them choose one vendor over another?
- Is it price, service, support, availability, quality, etc.?

Communications

- Where do members of this segment go for information?
- Where do you send messages so that the right customers will find them?
- How do you create those messages so that they will generate the right response?
- What kinds of information will be most effective?

Keys to success

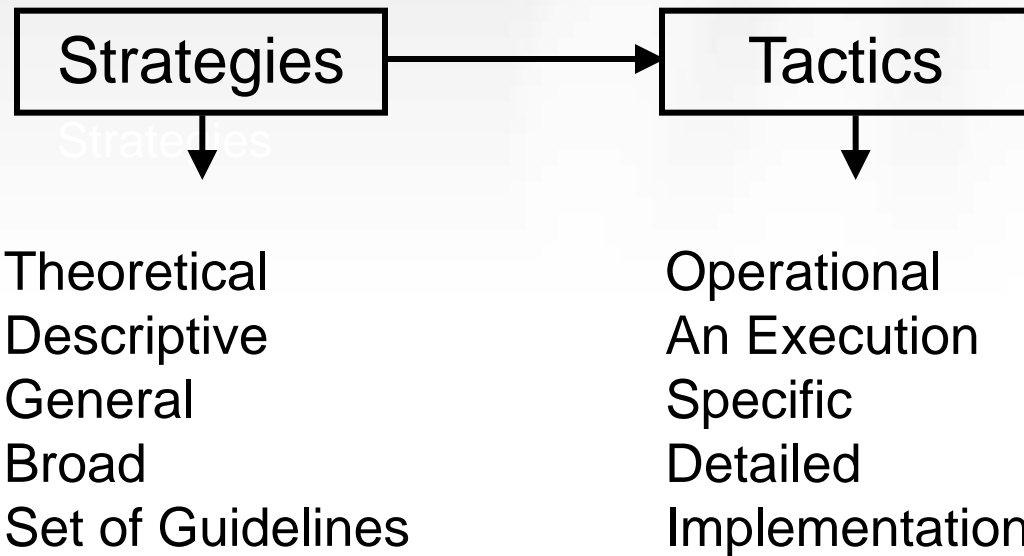
- Is price more important than features?
- Is ease of installation more important?
- Is ease of conversion and time of conversion most important?
- Is ease of use and learning most important, etc...?

(Remember: You need to determine what factors make the most difference to success or failure of doing business with this market segment.)

Developing your marketing strategies and tactics



Strategies & Tactics



Differentiating strategies and tactics

- What is a strategy?
 - A marketing strategy is a statement describing the method of how a marketing objective will be achieved.
 - Example: We will grow sales by 5% by expanding the field sales force from 20 to 25.
- What is a tactic?
 - A marketing tactic sets the offer, the marketing message and the way it should be transmitted.
 - Example: We will focus on selling the Widget to existing company accounts by having field sales reps offer free installation during the 3 month introductory period.

Three major classes of strategies

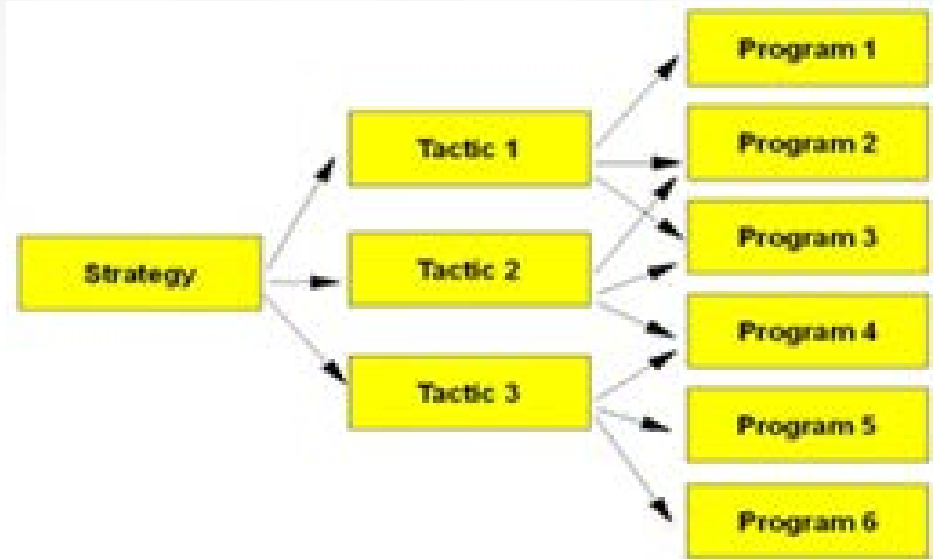
- Market expansion - more fully penetrate existing market
- Market entry - penetrate new market
- Retrenchment
- Market entry strategy modes:
 - Product development - new products, old markets
 - Market development - new markets, old products
 - Diversification - new product, new markets

Examples

- Strategy:
 - Reduce bad debts from 12% to 10% in the coming fiscal year.
 - Reduce apparel returns from 20% to 10% in the coming fiscal year.
- Tactic:
 - Use credit screening service to prescreen all lists during the coming fiscal.
 - Implement standard sizing practice and chart for all apparel.

Marketing matrix

- Now we're ready to talk about the 3 components of the marketing mix: strategies, tactics, programs.
- Some educators combine tactics within strategies and programs become tactics.
- I like to keep them separate to give you a clearer picture of what you're trying to accomplish.



Strategies begin with market focus

- Positioning is an important part of market focus.
- Positioning targets a product for specific market segments.
- The same product can be positioned in many different ways.

Positioning a product answers these questions

- What kind of product is it?
- For whom is the product designed?
- What is the single most important benefit it offers?
- What is its most important competitor?
- How is it different from that competitor?
- What is the customer benefit of that difference?

Developing segment specific strategies

- You have defined your target markets focus and those markets' needs.
- You have defined your overall offer and message.
- You are now ready to produce a statement describing the method of how a marketing objective will be achieved.

Remember...you can't be all things to all people

- Focus on selected target markets...not all targets.
- Selected product offerings that appeal to target market needs
- Company strengths - play to your company strengths not weaknesses
- Strategies that aren't focused won't work.
- Having too many is just as bad as having none.
- Try to keep them to an actionable number (3 - 4).

Developing segment specific strategies

- What is the marketing message?
- Align your message with your target's needs.
- How do you send that message to your target market?
- Where are they, what do they read, watch or listen to and how do they respond?
- How do you convert leads into sales?
- How and where do they buy?

Example: a manufacturing software development company

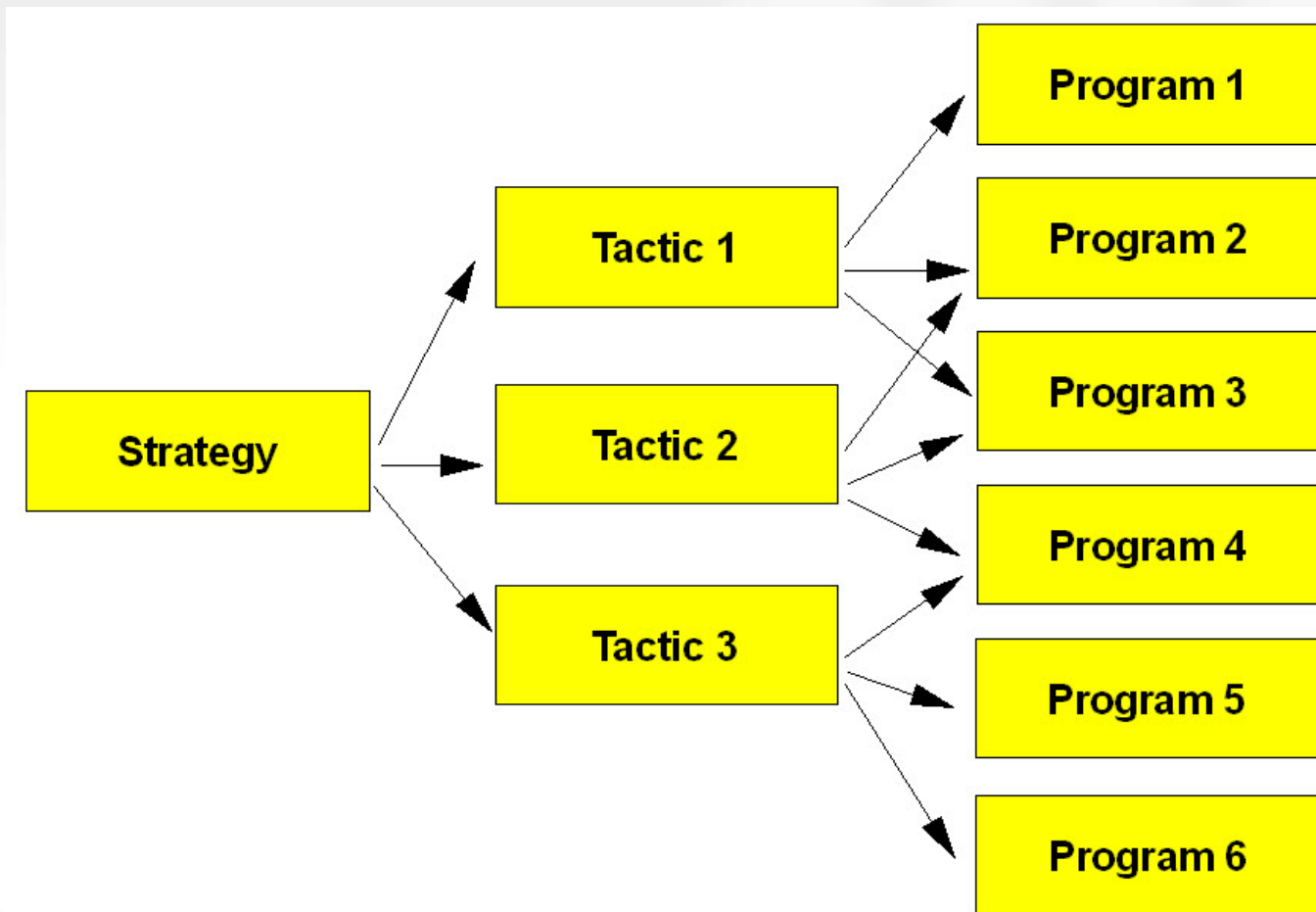
- Objective
 - Increase revenues by 15%.
- Strategy
 - Position XYZ as the leading provider of information technology solutions for the discrete and process manufacturing sectors.
- Tactics
 - Broaden product/service line matrix to include ERP solutions for mfgs.. in the \$10 - 50 million revenue range.
 - Develop PC based manufacturing solutions for small manufacturers.
- Programs
 - Direct marketing campaign promoting solution to target market.
 - Attending manufacturing trade shows.

Marketing Communications



Developing
Your Marketing
Programs

Marketing matrix



What is a marketing program?

- A marketing program implements tactics.
- A marketing program is an activity with well-defined responsibilities, deadlines and measurable results.
- A marketing program generally has budgeted expenses tied to it.
- A marketing program generally has a concrete and measurable outcome in sales units and value.

(Marketing programs don't have to be media related. For example, conducting customer needs assessment training for sales executives is a program.)

Key factors influencing direction and promotional (Marcom) mix

The mix of promotional activities is determined by seven central factors:

1. What are you trying to accomplish?
2. The target market analysis
3. The marketing budget
4. What's the competition doing?
5. Product?
6. Media cost?
7. Timing?

(Your market analysis will suggest the best mix to reach the target audience. Your budget will determine the total amount you can or should be spending on marketing communications.)

Marketing program objectives

- What are you trying to accomplish?
 - Generate sales
 - Increase market share
 - Improve brand image
 - Improve customer relations
 - Educate customers

(These are some examples. You have to decide what your objectives are and then you can gear your communications towards reaching those objectives.)

Components of promotional mix

- Advertising
- Sales Force (Personal Selling)
- Sales Promotion (Internal & External)
- Public Relations
- Direct Marketing
- Trade Shows and Exhibitions

(Trade shows, Conferences and Exhibitions are considered part of Sales Promotion by some marketers and educators, are often broken out into a separate category because they are a primary tool in B-to-B marketing.)

What is a campaign?

- A promotional program is integrated through a "campaign."
- A "campaign" is a unified, organized group of programs and promotional messages that have one theme or central idea.
- Within a "campaign," you integrate the use of the various promotional methods.

Advertising

- Advertising is the creation and placement of paid messages to inform potential customers and solicit sales of your product.
- It can be a more long term approach to increasing sales than direct marketing, sales promotion, or personal selling.
- One-way communication vs. two-way of personal selling.
- It can be effective for wide target markets or narrow niches.

(Remember: The medium(s) you choose depends on creativity, budget, target market, message, cost and response desired.)

Sales force (personal selling)

- Still the primary method of generating leads, closing sales and servicing accounts.
- Face-to-face selling is being supplemented and/or being replaced by telemarketing.
- Key issues include:
 - Sales force training
 - Sales force automation
 - Provision of selling aids and materials
 - Sales force incentives and compensation

Sales promotion

- Supplements advertising, public relations and personal selling.
- External Objective – Motivate customers to buy now
- Internal Objective - motivate sales force to sell
- Includes: sales contests, premiums, coupons, trading stamps, videotape presentations, POP displays, sampling, etc.

Final Consumer	Wholesalers/Resellers	Your Company Sales Executives
Banners	Price Promotions	Contests
Aisle Displays	Promotional Allowances	Bonuses
Samples	Sales Contests	Meetings, Conferences
Calendars	Displays	Sales Aids
Point-of-Purchase Displays	Gifts	Training Materials
Coupons	Trade Shows	Trips
Contests	Meetings, Conferences	Merchandise
Trade Shows	Catalogs	YouTube Videos
Trading Stamps	Merchandise	SlideShare Presentations
Video Presentations	Video Presentations	Social Media (Facebook, LinkedIn, Twitter, etc.)
White Papers	YouTube Videos	Website
YouTube Videos	SlideShare Presentations	
SlideShare Presentations	Social Media (Facebook, LinkedIn, Twitter, etc.)	
Social Media (Facebook, LinkedIn, Twitter, etc.)	Website	
Website		
User Groups		

Sales promotion elements

Public Relations

- Public relations is what you get others to say about you.
- It involves planting commercially significant news in the media.
- It is a non-direct message about your company, product, project or event.
- Because it appears written by others, it has great credibility.
- The goal of PR is to positively influence the marketplace about your company and products.
- Examples include: sponsoring trade events, speeches, white papers, newsletters, press releases.

Direct Marketing

- Direct marketing uses direct mail or email media to generate immediate, measurable, trackable results.
- It uses marketing databases to track responses and results at a customer level.
- By using NAICS codes (formerly SIC), it allows the placement of messages with highly targeted market segments.

Trade shows, events, conferences

- Really a subset of sales promotion
- Still a significantly large part of marketing budgets and still an effective way to reach your target audience.
- Reasons for participation:
 - Connect with key media players and editors
 - Evaluate competition
 - Talk with customers and prospects
 - Sell products

Sales Collateral

- Written material that represents and explains your product to potential customers.
- Includes any printed material that helps close a sale: data sheets brochures, pamphlets, return cards, form letters, etc.
- Big issue here is consistency - all materials should be integrated to have the same look and feel.
- Examples: white papers, e-Books, brochures, videos, CDs, etc.

Advertising & Media



In Marketing
Communications

Advertising decision process

- Set specific advertising goals
- Determine target audience
- Establish budget
- Develop message
- Select the media type
- Select the specific media vehicles
- Determine media calendar
- Evaluate performance

Elements to focus on when selecting media

- Advertising objectives
- Media circulation
- Media costs and budget
- Type of message that you will be conveying
- Timing

Types of advertising

- Broadcast: Radio, TV
- Print: Newspapers, Magazines
- Electronic: E-mail, Banner Ads, SMS Text, etc.
- Supplements, Free Standing Inserts
- Direct Mail
- Coupon Packs, Card Decks
- Directories
- Telemarketing
- Outdoor: Billboards, Kiosks, Transit

(Remember: These are the media mix components. They need to be selected on the basis of who you are trying to reach, what you are trying to accomplish and how much you have to do it with.)



The advertising plan answers these questions

- The media plan should be designed to expose your product to the largest possible segment of your target market in the most effective, efficient way. Answer these questions when creating your media plan:
 - Who do you want to reach (Right target, Missed anyone)?
 - When do you want to reach them?
 - Where do you want to reach them?
 - How many of them do you want to reach?
 - How frequently do you want to reach them?
 - What media is best for reaching them?
 - At what cost do you want to reach them?
 - Are you spending enough in total and for each medium to be effective?

Media strategies to remember

- Select media with high specific market penetration.
- Schedule adequate frequency of advertisements to impact target market.
- Position advertising in or near articles on industry, product reviews, appropriate editorials, high visibility areas such as front cover, center spread, above the fold, top of the email messages, etc.
- Make use of special high-interest issues, programs, websites, etc.
- Maximize ad life with frequent repetition...monthly, weekly, daily, in selected media.

Marketing Budget



Developing your
expense budget
and revenue
forecast

Budget components

- There are three components to a marketing budget
 - Expenses
 - Transactions (Closes)
 - Revenues
- Each has three tracking components
 - Plan
 - Actual
 - Variance

Marketing budget – more than just advertising expense

- Direct selling costs (salaries, commissions, travel, entertainment)
- Indirect selling costs (training, selling aides, subscriptions, dues)
- Advertising (print, direct mail, electronic)
- Sales promotion (trade shows, premiums, gifts, incentives)
- Public relations
- Marketing administration

(These are items typically include in the budget, but it is not a complete list.)

Several ways to build a budget

- From programs, work forward to projected leads, closes and generated revenues.
- From revenues, work backwards to average transaction values, to closes, to leads and programs to generate them.

(The preferred method is to start with revenues and work backwards. However, the first method is often used when you have prior experience with expected response and conversion rates.)

Building budget is a 4-step process

The process of building a budget follows these steps:

1. Calculate transaction value & transactions
2. Calculate lead generation requirements
3. Determine lead generation tactics
4. Plan programs

(This method of developing budgets works whether you are talking about the entire budget or a piece of it.)

Step 1: Calculating transaction values and transactions

- Revenues by product or product category
- Most complicated
- Requires rolling up a product mix and then customer mix calculation
- Revenues by customer
- Good starting point for developing overall budget especially if programs and offers are not defined.

Step 2: Calculating lead requirements

- Straight forward mathematical calculation
- Start with revenue objectives - work backwards
- Based on inquiry to lead conversion rates
- General B-to-B formula
- Leads, Prospects, Hot Prospects, Closes

Step 3: Determine lead generation tactics

- Where are the leads going to come from?
- Trade shows, Outbound telemarketing, Sales force, Business partners, Direct response, etc.?
- Existing customers, new customers?
- This is the most important step in the process and the basis on which you allocate your promotional budget.

Step 4: Determine programs

- What, how, where and when?
- Expenses associated?
- Revenues associated?

(This is the final step in developing the budget and the most detailed level.)

Pulling it all together



The Written
Marketing Plan

Your marketing plan should include

- Target Market and segment strategies
- Who, how many, where ...
- The message
- The offering
- Segment Tactics
- Where, how, when to send the message
- Ads vs. PR vs. mail, etc. ...
- Specific Programs
- Budgets, milestones, managers, content, media specifics, etc.

Marketing plan outline

1. Executive Summary
2. SWOT analysis & Marketing Objectives
3. Target Market Identification/Analysis
4. Marketing Plan (Strategies, tactics and programs)
5. Financials - Expense Budget, Lead Generation & Sales Forecast
6. Organizational plan
7. Critical Issues

Executive summary and objectives

- Summarize market strategy.
- Include highlights of expense budget and lead and sales forecasts.
- State quantifiable and measurable marketing objectives.

Target market identification and analysis

- Summary
- Market definition and segmentation
- Segment strategy
- Segment analysis
 - Demographics
 - Needs and requirements
 - Distribution channels
 - Competitive forces
 - Communications
- Keys to success

(Remember: This section is repeated for each identified target market.)

Marketing plans

- Summary
- Marketing plan matrix
- Marketing strategies review
- Marketing tactics review
- Marketing programs review

Financial summary

- Include summary and detailed analysis of expense budget, lead generation forecasts and sales forecast.
- By program type
- By product
- By market
- By manager

Financial summary (cont'd)

- Expenses
 - Explain why the budget falls into different types of expenditures. Which are most important, and why.
 - Explain why and how the budget is allocated to the different product lines. Make sure it matches your strategic focus.
 - Show how budget allocations follow your strategy emphasis in certain market segments. Do you have strategic alignment?
 - Explain how the budget is managed and by whom.
- Revenues
 - Use introductory paragraph to summarize the key elements of the sales forecast. Highlight the products, markets, or managers expected to produce highest sales or highest sales growth.

Organizational plan

- Cover organizational structure required to meet objectives.
- Identify personnel and training requirements.
- Cover related expense budgets and sales quotas.

Critical issues

- Discuss critical issues which have a direct impact on achieving the objectives in the plan.
- List action points.
- Summarizes any risks.
- Request additional resources.
- Summarize conclusions.

Keys to a better marketing plan

- Should be practical, concrete.
- Contain concrete programs with measurable objectives.
- Should assign tasks to people or departments with milestones and deadlines for tracking implementation.

Implementation



Managing and
Tracking Your
Marketing Plan

The goal of planning is implementation

- A plan is as good as implementation.
- Most important element in implementing a plan is following up on it's built-in steps.
- Following up and tracking plan vs. actual results is crucial to the success.
- Another essential element is having all marketing activities or tools responsibilities clearly assigned.
- A useful marketing plan must be a live plan.

Implementation

- Keys to implementation
 - Is the plan simple?
 - Is the plan specific?
 - Is the plan realistic?
 - Is the plan complete?
- Key factors that will determine the level of implementation
 - Realism
 - Ownership
 - Tracking and follow-through

Things to Remember



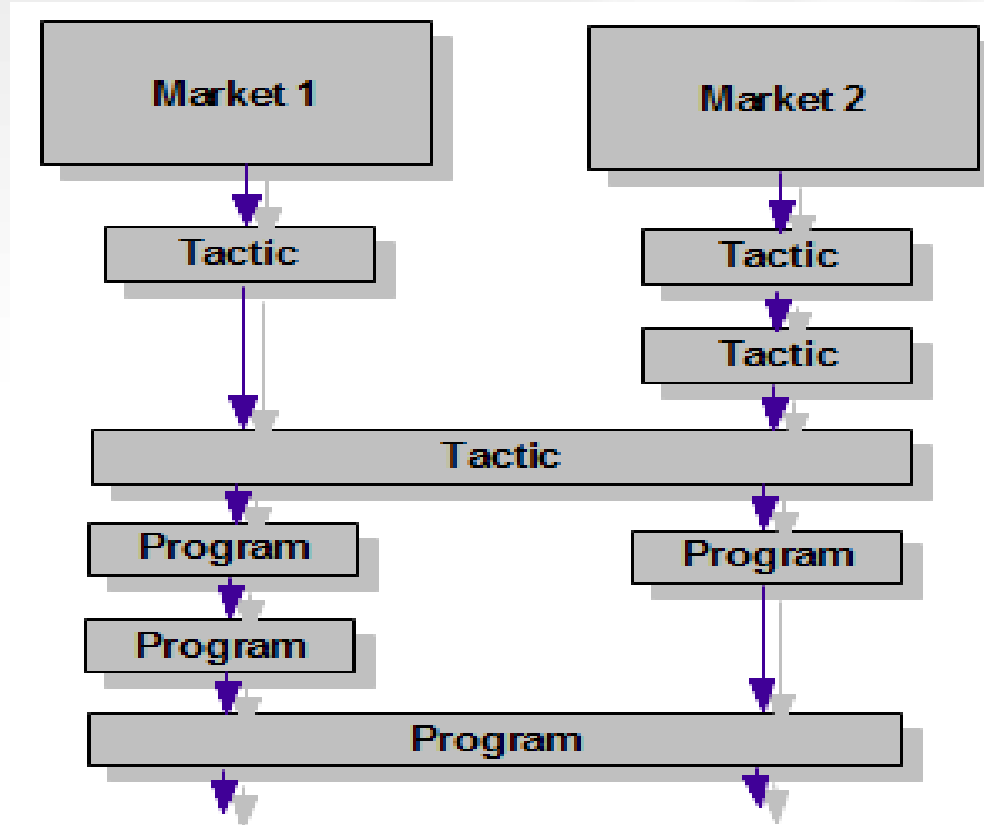
The marketing plan pyramid



Marketing plan pyramid

- At the top of the pyramid are the marketing objectives.
- Next are the strategies, which include: markets, needs, offering, etc.
- Then come the tactics, which include: messages, media, channels, etc.
- And finally come the programs, which include: advertising, direct mail, brochures, displays, seminars, trade shows, promotions, press releases, etc.

Tactics and programs can support more than one segment



(Remember: Tactics and programs can support the marketing strategies for more than one target market segment.)

Remember

- The target market defines the market need and product or service offering.
- Focus on markets and niches:
 - Marketing strategies need to focus on market segments and niches within those segments, not products.
- Strategy:
 - A well-implemented, mediocre strategy is better than a brilliant strategy not implemented.
- Implementation:
 - A plan won't be implemented unless specific responsibilities are assigned to specific people...
 - Milestones are established and agreed upon...
 - And the people responsible know that someone will follow-up to check on results.

Summary: what we have covered

- Marketing as a Concept
- The Market Planning Process
- The Role of Marketing Communications
- Developing Marketing Budgets and Forecasts
- Format of the Marketing Plan

Now you're ready to make the dive into the market planning process

