**I. Marketing plan for new ventures**

A marketing plan describes who your customers are, where they get information and how you expect to reach them. Unlike a business plan, a marketing plan focuses on winning and keeping customers; it is strategic and includes numbers, facts and objectives. A good marketing plan spells out all the tools and tactics to use to achieve your sales goals.

For business to grow it is essential to prepare a marketing plan. The right marketing plan identifies everything from 1) who your target customers are to 2) how you will reach them, to 3) how you will retain your customers so they repeatedly buy from you.

### Marketing Plan focuses on four variables, products, pricing strategy, sales and distribution plan and promotion.

Benefits of developing a marketing plan include:

* understanding your business, customers, and competition providing you with direction to impress investors and lenders
* improving risk management
* increasing competitiveness
* motivating your staff through targets/milestones
* helping with monitoring and managing performance
* improving budgeting and allocation of resources.

A good marketing plan sets clear, realistic and measurable objectives, includes deadlines, provides a budget and allocates responsibilities. Reviewing your marketing plan should remain an ongoing process throughout the different stages of your business.

A marketing plan can consist of following elements:

* analysis of your current market
* key marketing strategies in your business
* steps to achieving your business objectives
* proposed budget
* scheduling of the marketing activities being undertaken.

**II. Steps in preparing the marketing plan**

Step 1: Defining the Business Situation - The situation analysisis a review of where the company has been and considers many of the Environmental factors. The entrepreneur should provide a review of past performance of the product and the company. Industry analysis should include information on market size, growth rate, suppliers, new Entries, and economic conditions.

Step 2: Defining Target Market/Opportunities and Threats – The entrepreneur should have a good idea of who the customer or target marketwill be. The defined target market will usually represent one or more segments of the entire market. Market segmentationis the process of dividing the market into smaller homogeneous groups. The process of segmenting is:

a. to decide what general market or industry you wish to pursue.

b. to divide the market into smaller groups based on characteristics of the customer.

c. select segment or segments to target.

d. develop marketing plan integrating the parts of the marketing mix.

Step 3: Considering Strengths and Weaknesses **-** It is important for the entrepreneur to consider its strengths and weaknesses.

Step 4: Establishing Goals and Objectives **-** Before strategy decisions can be outlined, the entrepreneur must establish realistic marketing goals and objectives**.** These goals should specify such things As market share, profit, sales, market penetration, pricing policy, and advertising support. Not all goals and objectives must be quantified. It is a good idea to limit the number of goals to between six and eight.

Step 5: Defining Marketing Strategy and Action Programs **-** Strategy and action decisions incorporate,

**1. Product or Service** **-** This includes a description of the product and may include more than the physical characteristics. It involves packaging, rand name, price, warranty, image, service, features, and style.

**2. Customer Service** **-** Meeting customer needs and creating loyalty involves a number of low-cost steps

**III. Marketing Mix**

A marketing mix is the tools, strategies, and tactics a company uses to promote its products or services. When discussing marketing mix, we focus on all of the *controllable* elements of a marketing plan.

The “Four P’s” however, refers to common *factors* that a team analyzes in order to develop these strategies. In his 1960 book *Basic Marketing: A Managerial Approach*, E. Jerome McCarthy proposed the “Four P’s” approach to marketing mix, which became the gold standard in terms of forming a marketing strategy for years to come. They are: Product, Price, Place, Promotion

### **1. Product**

The product (or service) you offer your customers largely determines how you should market your brand as a whole. But it’s essential to remember that your product/service exists in the *real world*. In other words, you can’t simply assess your product/service in a vacuum.

When developing your product or service, you need to consider:

a)Whether or not there’s a need for it in the current marketplace

b) Whether or not there will be a need for it in the future (or what you’ll need to do to adapt to future needs)

c) The life cycle (growth, maturity, and decline) of similar products or services in the industry

When Apple released the original iPod, Steve Jobs did not invent the MP3 player. But he *did* notice that the ones that were available at the time certainly were not perfect. Even so, consumers were flocking to the new technology that did away with the need to carry around dozens of CDs at a time; indicating that there was a demand for the new product. Apple quickly got to work, developing an MP3 player that was as close to perfect as possible at the time. However, by today’s standards, the original iPod seems almost primitive. Of course, Apple knew this would happen – which motivated the team to create the iPod Touch, the iPad, and, of course, the iPhone. By predicting the needs of consumers in the future, Apple has managed to stay one step ahead of almost every other electronics company in the entire world.

When assessing the product or service you offer (or will offer) your customers, it is important to ask following questions: What do customers want? How, where, and when will they use it? What are the essential features of the product/service? What features are superfluous (either of your own product or of ca competitor’s)? What sets your product/service apart from your competitors’?

### **2. Price**

To be successful in any industry, you need to offer your products or services at a price that is affordable to your customers while also allowing you to maximize returns.

It is important to think about

* How the pricing of your offer affects your profit margin
* The perceived value of your product or service
* Along with perceived value, your brand’s reputation throughout your industry
* The price of similar products being offered by your competition

The price you set for your products or services can inherently affect how consumers view said product or service in the first place. On the one hand, pricing your products on the low end of the spectrum can border the line between “affordable” and “cheap”; set the price too low, and your target consumer might assume your product is rather low in quality. On the other hand, setting your price too *high* will certainly turn off a decent amount of your target consumers who either refuse to spend more than a certain amount of money on the product you offer, or who literally can’t afford to pay the price you’ve set.

### **3. Place (Placement and Distribution)**

Place refers to the logistics of where (and how) you actually deliver your product or service to your customers. When considering placement of your product/service, you need to know where, why, and how your target customers tend to do their shopping.

Additionally, you’ll want to determine where they’re most likely to purchase *your* product. Then, you’d put all of this information together to determine which channels you should use in order to maximize output and profit.

In terms of distribution, there are three main strategies to choose from, depending on your customers’ preferences and needs:

* **Intensive Distribution:** Companies using this method of distribution attempt to get their products in front of as many eyes as possible, in a variety of places. For example, if you were in the mood for Coca Cola, you could head to any one of your local convenience stores, drug stores, or grocery stores to get a bottle or two.
* **Selective Distribution:** A company that offers more than one product (each of which varies in quality and price) might employ a selective distribution strategy. For example, a hardware company might partner with Walmart to sell its more basic, lower-end tools, and will partner with Home Depot to sell its more advanced, specialized wares.
* **Exclusive Distribution:** Exclusive distribution refers to instances in which a company’s product is *only* offered at a specific store or location. For example, grocery stores in US such as Aldi, Whole Foods, and Trader Joe’s offer certain brands that can only be found at these respective stores. Companies that utilize exclusive distribution place high importance on building brand loyalty.

As with placement, distribution also takes into consideration how to provide a product in a way that’s most convenient for both the company and the consumer

### **4. Promotion**

Promotion refers to any action, taken by a company or its customers, that gets the company’s name out in the public eye in a positive way. Such promotion can either be paid for in some way or another, or it can be organic. Some of the most common forms of promotion are: Paid advertisements, Public appearances and events, Discounts, sales, and freebies, Contests, Social media marketing and content marketing, Referral marketing

Above all else, a successful marketing campaign is one that provides value to the consumer. This value might come in the form of a discount for frequent shoppers, or it might be a series of blog posts explaining how to get the best use out of your product. It all depends on what your customer is looking to get out of their engagement with your brand.

The original Four P’s of marketing focused mainly on product-related marketing. It didn’t offer much in terms of best practices for marketing services. Many product-focused companies now tend to define their unique selling proposition based on the added services they provide. Rather than just the features of their product. Because of this, three new “P’s” (and a fourth) have been added to the marketing mix equation.

However, in the early 1980s, Bernard H. Booms and Mary J. Bitner recognized that the “Four P’s” essentially ignored the fact that customer service is a *huge* part of any company’s marketing initiatives (even product-focused companies). In turn, they developed the “7P model” of the marketing mix.

## **The 7 P’s Of Marketing (And the 8th P, Too)**

The four “new” P’s of Marketing, which focus more on the service side of things, are: People, Process, Physical Evidence, Performance

### **People -** Company’s team members need to be qualified as well as dedicated to the company’s mission in order for the company to truly reach its full potential. Ensuring your company is full of competent, diligent, and dedicated employees will inherently improve the services you provide.

### **Processes -** Processes refers to all of the actions that a company implements when delivering a service to its customers, particularly the processes in which customers are directly involved.

In thinking of processes in this way, we need to think of all of the touch points a customer experiences. From the moment they walk into a storefront (or log on to a website, or contact a customer service helpline…) to the moment this engagement ends. The “processes” deals with both the planning behind a company’s operations *and* the people who carry out these operations.

### **Physical Evidence -** In service industries, physical evidence refers to all the tangible parts of the otherwise intangible experience customers have when they engage with a company. Physical evidence, in this regard, refers to three different aspects of a brand, Ambience, Spatial layout, Corporate branding

Ambience refers to the overall “feel” of the location in which a service is rendered. This includes aspects such as color scheme, volume and the genre and level of background noise. For example, a coffee shop might be decorated with relaxing colors, play instrumental music softly in the background, and have sound dampeners placed on walls to reduce echoes. Thus allowing students and remote employees to focus and get some work done. On the other hand, a gym would likely be decorated with “loud” colors while blasting rock and hip hop music at full blast in an effort to pump \*clap\* you up.

Spatial layout, refers to how furniture and other “equipment” is placed throughout the service area.

The best way to explain corporate branding is to ask the following question.

“If I were to be blindfolded and brought to a random service area, would I be able to tell where I was?” Or, similarly, “If I were to be brought to a website, would I immediately be able to tell which site I was on?” Think about the differences between Target and Walmart, of McDonald’s and Wendy’s. Not in terms of product or service provided, but in terms of the recognizable (sometimes trademarked) aspects of the environment that tell you right away where you are.

### **Performance (Or Productivity and Quality) -** the 8th P of Marketing is about how well your company operates, especially in the eyes of your customers – in comparison to all of the other companies in your industry. Often, your company’s ability to go the extra mile to ensure your customers’ satisfaction is *the* key differentiator that will keep them coming back whenever they’re in need of the services you offer.

**IV. Environmental analysis for marketing plan**

Preparing a marketing environmental analysis is an essential step in understanding the external local, national or international forces that might affect your small business. These factors are largely outside your direct control, but you can adapt your business and marketing strategy to take advantage of the opportunities they present while minimizing the potential threats. A PESTLE analysis is the most common way of undertaking such a review; This type of analysis is usually conducted in the process of preparing a strategic plan, with the goal being to identify **threats and opportunities** for your business. PESTLE stands for the Political, Economic, Social, Technological, Legal and Environmental factors you need to consider.

### Political - Political factors refer to governmental actions or policies that have an impact on your business and its ability to trade. For example, restrictions on the import or export of certain goods might limit your market or hamper your ability to obtain raw materials. At a local level, restrictions on the types of businesses permitted in certain districts or the kinds of services available might impact your ability to run your business in these areas.

### Economic - Economic factors have a significant impact on how an organization does business and also how profitable they are. Factors include – economic growth, interest rates, exchange rates, inflation, disposable income of consumers and businesses and so on.

These factors can be further broken down into macro-economical and micro-economical factors. Macro-economical factors deal with the management of demand in any given economy. Governments use interest rate control, taxation policy and government expenditure as their main mechanisms they use for this.

Micro-economic factors are all about the way people spend their incomes. This has a large impact on B2C organisations in particular.

Social factors - The way society changes and adapts over time, and the differences in communities across the country and the world, are all important considerations when planning your business. Aspects to consider and explore include religion, lifestyle expectations, housing standards and population demographics such as age, gender and ethnic origin.

Technological - Technological change has wiped out old businesses and created new businesses over the years. Understanding the impact of the next technological advances could give you a market advantage over your competitors if you are better placed to exploit the opportunities they present. Look at how communications are changing, and try to find a way in which you can take advantage of any emerging channels to reach new or more customers. Don't forget to explore how your business could be more efficient and productive by using new technologies in production or distribution, for example.

Legal - Every business operates within a strictly controlled legal environment. Identify, and be aware of the impact of, all legislation relating to your business. These might include regulatory obligations, environmental restrictions, import/export limitations and basic health and safety laws.

### Environmental - Economies across the world are increasingly aware of the environmental factors of their operations. Even as a small business owner, you should consider the environmental aspects relating to your activities, such as its impact on the local and wider environment. Be aware that attitudes to themes such as ecology and renewable energy can affect consumer behavior. Some believe global warming is changing weather patterns, affecting tourism and farming. Showing that you are a "green" business might attract new customers.

### Opportunities and Threats - Your PESTLE analysis should provide you with a useful tool to establish the major opportunities and threats facing your business as you plan for its future growth. When taken together with an internal review of your business' strengths and weaknesses, you should be in a strong position to develop a robust strategy and business plan based on well-balanced research.

Economic factors include all the various taxes and duties you are obliged to pay, as well as wider fiscal decisions on things like central bank interest rates and international exchange rate volatility. A thorough analysis of each of the economic factors that impact on your business will help you plan the financial strategy for your business.

**V. Marketing contingency plan**

A marketing contingency plan can help a small business protect revenue, profitability and customer relationships by preparing for unexpected events. The sudden arrival of a powerful new competitor, a problem in your supply chain, the resignation of an important sales representative, a virus attack on your website or the discovery of a major product defect can have serious consequences. If you have a contingency plan in place, you can respond quickly to changes and protect your company against the risk of business and financial damage.

Since business plans can never foresee all eventualities, good planning provides for contingencies to address unexpected events. In marketing plans, projections for sales, revenue and market reaction to initiatives depend on factors outside the control of the company making the plans. As a result, plans have to include provisions for action when the projected results don't materialize. Planning for contingencies includes an evaluation of possible variations in basic assumptions and the effects on the marketing plan. Contingency planning has to address problems resulting from such deviations.

Risk - To manage risk, a company tries to identify sources of uncertainty. It lists risks and analyzes the likelihood that an event will take place. For marketing plans, internal risks include the loss of key employees, physical damage to production facilities and technical or quality failures. External risks come from the competitive environment, regulatory actions or legal challenges. Marketing risk assessment looks for events that could influence company marketing performance and assigns a probability of the event occurring.

Impact - For contingency planning, a company has to combine risk assessment with an impact analysis. A particular risk may be high, but its impact on the company's marketing may be small and manageable. In that case, the company can accept the risk and take no special action. A typical impact analysis assigns a value between 1 and 10 to the risk and another value between 1 and 10 to the impact, with 10 being high risk and high impact. The events that have a high combined score of risk and impact threaten to endanger marketing targets and require contingency planning.

Risk Management - With the scores for risk and impact in place, companies can prioritize and classify their risks so they can address them in a structured way. High-impact marketing risks can be financial, operational or legal. Financial risks include not being able to obtain required financing, an unforeseen increase in costs or a loss of expected sales. Operating risks reduce your ability to provide the expected volume of products or services. Legal risks include product liability and intellectual property questions.

Planning - Contingency planning puts in place measures to address the identified risks in marketing a product or service. Companies plan for financial risks by budgeting for contingency funds. They reduce the risks of not meeting marketing targets in production by developing disaster recovery plans and ensuring availability of trained employees with succession plans. They reduce legal risks by instituting quality control and assigning clear organizational responsibilities. They may avoid risks that are too high by not engaging in the activity that carries the risk, and they may accept risks with low probability and low impact.