

## **CHAPTER 2: MARKETING PLAN**

### **Format**

- 1. Customers**
- 2. Market share**
- 3. Competition**
- 4. Promotion and advertising**
- 5. Pricing strategy**
- 6. Sales tactics**
- 7. Distribution strategy**

### **2.1 Customers**

Customers run businesses and therefore there is need to know your customer.

Describe your potential customers in detail, in terms of who they are, where they live or located, their ages, occupation, education level and their income levels

Follow the following steps.

**a. Determine who your customers are.**

Customers can be classified as follows.

- I. Final consumers or end –users; These are persons or groups of persons who use the products to satisfy their needs. Final consumers may be divided into individuals, households and institutions such as schools, hospitals, churches etc.
- II. Commercial customers,  
These includes men/women who buy products to resell to others. They include;
  - Wholesalers- These are businessmen who buy the products to resell to retailers and sometimes to final customers.
  - Retailers- These are business men/women who buy products and resell them to the final customers. e.g kiosk owners.
- III. Industrial customers

These are the manufacturers of products. E.g Industries, factories and even individuals.

**b) Determine where your customers are;**

Determine the location, County, Estate or District where your customers are coming from.

**C) Determine the factors that will influence customers to buy the products of your business.** E.g Price, quality, appearance, packaging etc

**D) Describe in detail their needs in relation to the product(s) or service(s) you intend to offer,**

**2.2 Market Share;**

\_Refers to sharing the total market with your competitors.

Describe the market area and size you intend to operate in. e.g total population of area=20000.

Total target market= 10000. Indicate how you will share the target market with your competitors in %.

- i. Estimate a market share in percentage that you propose to capture in relation to your competitors.
- ii. Estimate your expected market share in percentage in relation to your competitors. You may illustrate this using pie charts, graphs etc.
- iii. Explain how you will obtain your expected share. (state your strategies).

**Illustration**

Proposed shares in %	Expected shares in %
business share-----x%	Business share ----- p%
Competitor 1 share-----y%	Competitor 1 share-----q%
Competitor 2 share-----r%	Competitor 2 share-----t%
Total-----100%	Total-----100%

### 2.3 Competition

- Identify your business competitors by name.
- Analyze each competitor in terms of their strengths, weaknesses, opportunities and threats. (SWOT), consider the following variables.
  - Methods of operation/production
  - Capital invested
  - Market share

- Quality of products/services
- Variety of products/services
- Pricing techniques
- Distribution strategies etc.
- Name each of your competitors by name and address and show the strengths and weakness of each competitor. Refer to the variables above to guide you. (use the sample table below).

<b>Competitors</b>	<b>Strengths</b>	<b>weaknesses</b>	<b>opportunities</b>	<b>Threats</b>
Competitor A	-high capital	-high prices		
Competitor A	-good quality products	- poor customer care		
Competitor B				
Competitor c				

- Show your competitive advantages over your competitors (show you plan to cope with completion)

## **2.4 Methods of promotion and advertising**

Describe how you plan to create awareness for your products/services.

### **PROMOTION METHODS**

- Describe various methods of promotion e.g. personal selling, sales promotion and publicity that will be suitable for creating awareness for your business.

### **ADVERTISING METHODS**

- Choose advertising methods that will be suitable to use in your business.
- Identify where and when to use each method selected. e.g, posters, use of media (specify which one), bill boards, brochures, word of mouth etc.

## **2.5 Pricing strategy**

- Describe the factors to be considered when setting prices for your products/services. e.g demand, cost, competitors prices etc.
- Describe the various pricing techniques you will apply in order to appeal to your potential customer.
- Show a sample price-list of your products or services.

## **2.6 Sales Tactics**

- Describe your selling methods – direct or indirect.
- Who is involved in selling?
- Describe your public relations strategies and after sales services to be offered to your potential customers.  
E.g discounts, free samples and free gifts, free transport, credit facilities etc.

## **2.7. Distribution strategy**

- Describe the channel(s) of distribution to be used, to enable products/services to flow from your business premises and to be accessible to your final consumers. E.g
- Producer-----consumer (direct channel)
- Producer-----retailer-----consumer (choose any that is suitable for you)

- Estimate the distribution costs per month and lay down strategies to minimize these costs and achieve efficiency.
- Identify possible problems to be encountered in distribution Endeavour and possible solutions you are likely to apply.



